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BRAVO SAYS CUBA 'HAS ABANDONED' DEBT PROPOSAL

PA281729 Paris AFP in Spanish 1637 GMT 28 Aug 85

[Excerpt] Caracas, 28 Aug (AFP) -- Today Flavio Bravo, president of the Cuban National Assembly of the people's government, said that Cuba has abandoned its proposal that the Latin American countries not pay their foreign debt "because it has become apparent that this stance is dividing instead of uniting" the continent's nations. Bravo is attending the meeting of Latin American parliaments, which ends on Wednesday, as a guest. He said: "It is best to respect each country's sovereign decision on the renegotiation of their respective foreign debts." Nevertheless, he said "those governments will have to bear the responsibility for that before their peoples."

According to Bravo, Cuba is now proposing that the debtor countries work in a technical and scientific matter in order to suggest tangible and specific options for the problems of the dollar's overevaluation, the banks' interest rates, unequal trade between the industrialized and developing countries, and the creditor countries' protectionist measures. The president of the Cuban Assembly said: "We continue to think that the foreign debt is impossible to pay or collect without first resolving these problems." During the Caracas meeting of the Latin America parliaments, the position that clearly stood out was that of politically facing the foreign debt problem which globally totals $350 billion.

CONTADORA GROUP, AREA MINISTERS TO HOLD MEETINGS

PA290333 San Jose Radio Reloj in Spanish 0112 GMT 29 Aug 85

[Text] Costa Rican Foreign Minister Carlos Jose Gutierrez has announced that the foreign ministers of Central America, with the exception of Nicaragua, will meet next week to analyze the current Central American situation. The Central American foreign ministers meeting will take place in Tegucigalpa or San Jose, and the site will be decided within the next few hours once all details have been coordinated with the foreign ministers of Honduras, El Salvador, and Guatemala, who will be invited tomorrow. Another of the basic topics to be discussed at this meeting will be the regional governments' stand concerning the announced meeting of the Contadora Group foreign ministers with the Central American foreign ministers in mid-September. According to a telephone conversation Costa Rican Foreign Minister Carlos Jose Gutierrez held with his Colombian counterpart, Augusto Ramirez Ocampo, the Contadora Group foreign ministers have scheduled a meeting within the next few weeks. However, Ramirez pointed out that this meeting cannot be held prior to 10 September, as he will be attending the nonaligned meeting in Luanda in early September.

The foreign ministers of the five Central American countries will be invited by their counterparts from Colombia, Mexico, Panama, and Venzuela for a meeting to analyze the general situation in Central America. With regard to attending a meeting of Central American foreign ministers with the Contadora Group foreign ministers, Costa Rican Foreign Minister Carlos Jose Gutierrez said that this does not mean that the Costa Rican stand concerning Nicaragua has changed. He said: Under no circumstance will Costa Rica participate in a bilateral dialogue with Nicaragua unless the Managua regime give explanations for the incidents at Las Crucitas and Barra del Colorado, in which two civil guardsmen and others were wounded. Concerning the Guatemalan stand on the meeting of the nine foreign ministers, Gutierrez said that Guatemala will be invited to next week's meeting to see if it wishes to attend. If Guatemala does not accept, the foreign ministers of El Salvador, Honduras, and Costa Rica will meet.

ALFONSIN DISCUSSES FOREIGN, DOMESTIC POLICY

PA281122 Panama City Circuito RPC Television in Spanish 0330 GMT 27 Aug 85

["Special Edition" program interview with President Raul Alfonsin by Mayin Correa at the Presidential Palace in Buenos Aires; date not given -- recorded]

[Text] [Correa] It is always such a pleasure to be with you. The last time (?you were waging) a tremendous opposition. How do you feel now that you are not in the opposition? How is the (?opposition) treating you.

[Alfonsin] I believe that Argentines are firmly on the path to democracy; it follows that pluralistic discussion exists. Argentines are very determined to consolidate the progress made thus far, to struggle and strive to move forward, and to overcome very serious problems amid an economic crisis that is causing social problems. Of course, these problems mostly affect the helpless sectors.

[Correa] Mr President, you won with 52 percent of the total vote. I have been told that polls show a significant increase in your popularity. Usually, the popularity of incumbent presidents drops, but yours is increasing. What is the reason for this sympathy amid a crisis?

[Alfonsin] I believe that Argentine society has experienced a very profound change. For a long time, the country was subjected to many (?distortions), what seemed to be an established order turned into an established disorder. Argentines fought against values that had somehow served to structure their society. New values were not created. As a result of this, there were immorality problems, or I should actually say amorality problems as well as violence. We took over a devastated country. New values are now beginning to flourish. I have never seen Argentines display as much solidarity; they are demanding seriousness, shying away from slogans, and are willing to take on tasks that they are called upon to carry out. I understand all of them. They are right to make demands, and know that they are not dealing with a government that is isolated or insensitive to those demands. Frankly, we are facing very serious problems and as a result everyone is trying to help out.

[Correa] Mr President, has Radicalism brought an end to Peronism here in Argentina?

[Alfonsin] No, and that should not be our aim either. Absolutely not. We need pluralism here.

[Correa] Mr President, that means that Peronism is now a losing majority, (?as books are calling it).

[Alfonsin] No. Peronism is the second strongest party today, the second political force.

[Correa] Of all the problems you have faced, which are many, do you believe that the military trial, that is the trial of the juntas of previous governments is the one that could most endanger the country's political stablilty?

[Alfonsin] Nothing can endanger Argentina's political stability. I am very satisfied with the way in which this trial has developed. It has indeed been an example of seriousness that fills us with pride.

[Correa] Mr President, why has the trial of subversives not been considered as important?

[Alfonsin] It is just as important. We have implemented similar measures. It happens that this case is being handled in a written form. We are now in the final stage of a very important trial of one of terrorism's most important leaders.

[Correa] Mr President, let's discuss Argentina's foreign debt. Must you also deal with the IMF's proposals that have caused so many problems in other countries?

[Alfonsin] We have a serious problem in our external sector. Our foreign debt is very large. We have become indebted for nothing, that is, while other countries became indebted in order to have more working capital, that is not our case. For this reason, this indebtedness weights even more heavily upon us. We have discussed this situation in depth with the IMF and have managed to have our stance prevail. Thus, we have been able to carry out an economic reform. It is still in its initial stage, but I am convinced it will permit us to overcome all of these setbacks. Moreover, we have launched a reform that will result in the modern Argentina we all want.

[Correa] Mr President, please explain to us the first priority of your foreign policy.

[Alfonsin] Latin America, of course. We must struggle united to seek our integration and defend ourselves better from real economic aggressions. We must struggle for a new international economic order. This is a struggle for universal justice. We must also (?reorganize) our foreign trade and make permanent consultations in order to bring our policies into harmony. I think we have made great progress. By the way, may I send warm greeings to the Panamanian president; we were in Lima a short time ago. Therefore, this must be our first priority, not only for Argentina, but for any Latin American country.

[Correa] What about the Malvinas Islands?

[Alfonsin] Naturally, the Malvinas Islands are a problem we always have before us. This is a fundamental problem, the background of our activities. We seek to recover the islands. This is also involved with Latin America's problem because this is not only a problem for Argentina. It is clear that with the fortification of the Malvinas a serious regional problem has been created.

[Correa] Speaking of foreign policy, Mr President, and you mentioned Latin America, do you think the Contadora Group is an alternative to seek peace in the area? Or do you think that this Group is just another form of pressure for the Nicaraguan Government to democratize that country?

[Alfonsin] We support the Contadora policy and are in constant touch with the Group. We think the Contadora effort is necessary to solve the problem of Central America and, of course, Nicaragua.

[Correa] How does Argentina aid Nicaragua?

[Alfonsin] Of course, we support Contadora. We have also (?granted) Nicaragua some credits. We believe that to the extent that Nicaragua (?is part) of Latin America, the latter has a fundamental responsibility toward Nicaragua. [passage indistinct]

PRESIDENT SAYS POVERTY STRUCTURE STILL INTACT

PY282057 Buenos Aires BUENOS AIRES HERALD in English 28 Aug 85 p 11

[Text] (NA-DYN) -- President Raul Alfonsin said yesterday that "Argentina is offering the world an example of peaceful transition" towards democracy, but he also admitted that "the structure of poverty is still intact in our country" and it will take "years of daily changes" to root it out.

"It would be naive," the president said, "to suppose that we can transform" the current socio-economic difficulties "merely through a unilateral governmental decision," even though it is now much easier than during "the long decadence in which we were submerged until yesterday."

Alfonsin spoke yesterday at the University of Buenos Aires Law School on the conditions necessary for a Third World country to achieve participatory democracy and a just distribution of wealth when inaugurating a three-day conference entitled "The Transition toward Democracy in the Third World." Former presidents Carlos Andres Perez (Venezuela), Francisco Morales Bermudez (Peru) and Alejandro Agustin Lanusse (Argentina) are also among the dozens of political, scientific and academic leaders taking part from Italy, the United States, Colombia, Egypt, Saudi Arabia, Bangladesh, Turkey, Brazil and Uruguay, among others.

The President warned that the future of Latin American democracies "will be seriously jeopardized if we do not find the way to bring about socio-economic transformations," adding "it is unreal to think that the decadence, crisis and defeat of authoritarian regimes and their replacement by democratic institutions necessarily guarantees the survival of the democratic way of life in society." Alfonsin pointed out that Argentina "has shown that it can escape from oppression and destruction even in the face of tremendous limitations and gigantic obstacles."

"Everything is changing in Argentina," the President said. "Behavioural patterns, daily attitudes, and a creative energy is emerging which demands of its leaders new answers to old problems." But the Chief Executive explained that many problems still remain, such as the ugly face of hunger.

The President emphasized that Latin America "cannot remain outside the march of history, relegated and almost ignored by the technological world. We must work together to bring about a more just international order which offers progress for all mankind."

ALFONSIN ATTENDS NAVAL TRAINING EXERCISES

PY270615 Buenos Aires Domestic Service in Spanish 2300 GMT 26 Aug 85

[Text] President Raul Alfonsin today observed training exercises by units of the Argentine fleet from the aircraft carrier 25 de Mayo in the Nuevo Gulf off the coast of Chubut Province. Alfonsin was accompanied by Defense Minister Roque Carranza, Navy Chief of Staff Vice Admiral Ramon Arosa, and by other civilian and military officials.

Upon arriving at the Almirante Zar Base, Alfonsin and his aides boarded a Sea King helicopter that took them to the aircraft carrier 25 de Mayo, where they were welcomed by Captain Jorge Ferrer with a 21-gun salute. Then Alfonsin boarded another helicopter that took him to the destroyer Heroina. There he observed antisubmarine and antiaircraft operations, which included simulated missile launchings.

In the afternoon, Alfonsin returned to the aircraft carrier and toured its main installations. From the control tower, he observed operations by the air naval group made up of Super Etendard planes, and Sea King and Alohuette helicopters. Later, Alfonsin overflew the Nuevo Gulf on board a Tracker plane that had been launched from the aircraft carrier and that flew at 200 km per hour. The president and members of his entourage returned to the mainland at approximately 1800.

Officers Comment on Equipment

PY282042 Buenos Aires BUENOS AIRES HERALD in English 28 Aug 85 p 11

[Text] (NA) -- Naval officers who were interviewed by reporters during the visit of President Raul Alfonsin to the high seas fleet engaged in naval exercises off the southern coast of the country expressed anxiety at the lack of essential equipment and low wages paid to naval personnel.

They said that in previous years the fleet was at sea 120 days a year and now this had been reduced to less than 30 days. They argued that in so short a time sailors could not be properly trained. The officers said that in some cases exercises were carried out for 24 hours non-stop to make the most of the time available.

With regard to wages, they said a naval lieutenant with 15 years service earns 190 australs a month and a petty officer with 10 years service about 90 australs. They added that this forced personnel to take on other jobs to supplement their pay, although this was illegal.

The officers pointed out that the 25 de Mayo aircraft carrier was 40 years old but was nevertheless used for modern Super-Etendard aircraft which cost about 15 million dollars a piece. "One of these planes equipped with Exocet missiles could not take off on Monday because the carrier could not develop a speed of more than 15 knots," they added. For these planes to become airborne they need a speed of at least 30 knots, the sources added.

In another part of the talks, the officers claimed the government had recently purchased a dozen modified Douglas planes from Israel but these had not been delivered due to political problems between Argentina and the United States. They said Argentina was paying about 30,000 dollars a month apiece for storage. According to the officers the lack of spare parts obliges the Navy to obtain them by "cannibalizing" units of the same type.

ALFONSIN MEETS WITH NICARAGUAN DELEGATION

PY281838 Buenos Aires Domestic Service in Spanish 1600 GMT 28 Aug 85

[Report from Government House]

[Text] President Raul Alfonsin received a Nicaraguan congressional delegation this morning. Before the meeting took place, Sandinist representative Humberto Solis Barker told the press that he was going to give the Argentine head of state details about [words indistinct] a Nicaraguan debt.

Answering another question, he said he was not going to submit a proposal regarding a Latin American peace force because, he said, we are a delegation of legislators; we are not the executive branch. However, he did not deny that the topic could be discussed if President Alfonsin brings it up. Solis Barker also expressed his great pleasure regarding the creation of a special group of governments to support the peace-seeking efforts of the so-called Contadora Group.

ECONOMY MINISTER ISSUES STATEMENT ON DEBT

PY290324 Buenos Aires TELAM in Spanish 0057 GMT 28 Aug 85

[Text] New York, 27 Aug (TELAM) -- In a statement issued to the press on the occasion of the signing of the agreement to refinance the Argentine foreign debt, Economy Minister Juan Sourrouville stated that the Argentine democracy has proved that it is responsible.

Sourrouille added that upon normalizing its foreign debt situation, Argentina has obtained loans totaling more than $5 billion, which will be disbursed before March 1986.

Official lending organizations from developed countries will give us additional loans totaling $1 billion and our creditor banks will give us fresh loans totaling $4.2 billion, Sourrouille said.

Sourrouille added: The significance of these figures cannot be overlooked since they represent an increase of more than 11 percent in the total amount of loans granted to Argentina in a 2-year period by international private banks, that is, more than 5 percent per year. This percentage is higher than the increases of only 3 percent in 1983 and 1.6 percent in 1984 in the total amount of loans granted to developing countries in those years, excluding the oil exporting countries.

Sourrouille said that in addition to the loans granted by private and official banks from developed countries during the first quarter of 1985, the IMF also granted loans for $1,454,000,000 and current negotiations with the World Bank and the IDB could result in net disbursements of $569 million before March 1986.

With these funds, Argentina will be able to meet its foreign debt payments far into 1986 and could raise its international reserves to a reasonable level by increasing its assets in gold and foreign currency by more than $1.1 billion in relation to those available as of December 1983. The government will also be able to bring up to date the overdue payments totaling $3.22 billion which it inherited from the previous government, Sourrouille added.

The nine-page statement is an expanded version of the one released on 24 August upon Sourrouille's departure for New York to sign the agreement with our creditor banks.

Sourrouille also reiterated that the foreign debt problem is far from being resolved and requested a prompt reduction of the international interest rates. He also requested that the developed countries assume their responsibility for maintaining and expanding the inflow of resources to developing countries and remove those restrictions affecting prices and volumes of exports by developing countries.

Mutually beneficial solutions can be achieved if creditor and debtor countries alike assume their responsibilities. The Argentine democratic government is proud of having fully assumed its responsibility. We invite our counterparts to fully assume their share of responsibility. We will stand to benefit, the statement said.

Delegation Returns From N.Y.

PY281816 Buenos Aires Domestic Service in Spanish 1600 GMT 28 Aug 85

[Text] The delegation headed by Economy Minister Juan Sourrouille that negotiated the foreign debt returned from New York at noon today on two different flights. The members of the delegation refused to speak with the press and they left the airport for an unknown destination.

SARNEY NAMES BRACHER NEW BANK PRESIDENT

PY282254 Rio de Janeiro LATIN AMERICAN DAILY POST in English 28 Aug 85 p 1

[Text] Brasilia (DAILY POST) -- President Sarney Tuesday selected Fernao Bracher, a vice president with the largest private Brazilian bank, Bradesco, as the new president of the Central Bank. Bracher, who previously held a post as director of the international area of the Central Bank during the Geisel government, takes over from Antonio Carlos Lemgruber, who resigned along with Finance Minister Francisco Dornelles on Monday. Bracher promised to try to reduce internal interests rates in the overall battle against inflation.

Bracher has been involved with the Bradesco group for many years, and was a key executive of the Atlantica-Boa Vista Group and the Banco da Bahia, as well. He is 54, married, and the father of three children.

NEW FINANCE MINISTER ON POLICY INTENTIONS, PLANS

PY281753 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Aug 85

[Excerpt] By swearing in Dilson Funaro as the new finance minister, President Sarney intends to exercise tighter control over inflation. This is exactly what Minister Funaro is referring to:

[Begin recording] We are going to act with great determination in order to solve the major problems that lie ahead of us. We are going to curb inflation; we are going to reduce regional differences and improve the peoples' living standard, that of the have-nots. We are determined that these objectives set by Your Excellency will be the rules of this ministry. I assume my post with this (?determination), Mr President. Thank you very much for your confidence in me. [end recording]

During the transfer-of-post ceremony, Funaro went into further detail. In addition to the determination to curb inflation, he announced strict control over expenditures and careful selection of investments. He also hopes to incorporate millions of neglected Brazilian citizens into the production apparatus. The purpose is to achieve balanced economic development. The IMF and creditor banks have already been informed that the negotiations on the foreign debt will continue to be carried out normally.

NEWSCAST TO CARRY JUDICIAL BRANCH NEWS

PY222036 Brasilia Domestic Service in Portuguese 2200 GMT 20 Aug 85

[Text] "Voice of Brazil" will once again carry a news segment covering the judicial branch. Reporter Carmencita Couto discussed this issue with the president of the Federal Supreme Court.

[Begin recording] [Couto] Judge, how do feel about the return of the judicial branch segment to the "Voice of Brazil" program?

[Moreira Alves] This coverage is obviously of extreme importance. We all know that the ability of this program to reach all corners of the national territory will make it the ideal vehicle to carry the major decisions of the country's high courts, especially of the Federal Supreme Court.

[Couto] Do you believe that the presidents of courts who have not voiced their opinions on national events will henceforth do so?

[Moreira Alves] The courts' presidents do not usually speak because, in their capacity as judges, they believe that they should mainly speak [words indistinct]. However, this does not mean that court presidents, the judges in general, are not human beings who have their own opinion. Obviously, they will express these opinions within the limitations imposed by their positions as judges.

[Couto] Some court cases can only be referred to in very technical terms. If the judges could clarify a court case, it will be more understandable. It would be an opportunity to explain them to the people, would it not?

[Moreira Alves] Precisely. For that reason, I am adopting measures, through the court technical adviser's office, for the purpose of making it easier to understand some decisions rendered mainly by the Federal Supreme Court, especially regarding the truthfulness of the information. Many times, not certainly with any bad intentions, but for lack of technical knowledge, some publicized cases are biased. This makes it difficult to understand the facts as they are, and even causes confusion and error.

[Couto] Can the listeners of the "Voice of Brazil" now rest assured that they will understand the news from the judicial branch?

[Moreira Alves] As far as it is humanly possible, my wish is that this will be the case.

[Couto] Judge Moreira Alves said that as long as the news might be of national interest, the judge hearing the case will give the necessary information. And this is the first news: The Federal Supreme Court has ruled that the state must pay the honorarium of lawyers appointed to give technical assistance to low income persons.

From the Federal Supreme Court, Carmencita (Couto) reporting. [end recording]

COMPOSITION, SITUATION OF EXTREME LEFT VIEWED

PY272347 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Aug 85 p 10

[By Alexandre Polesi]

[Text] The Brazilian extreme left does not want nor will it organize itself into political parties. It does not believe in the democratic transition nor does it believe the legislation on political parties of the New Republic to be sufficiently liberal. Thinking coolly, the extreme left realizes that by creating parties with their own identity, it stands to lose.

Militants of the extreme left prefer to stay where they are now: in the PT [Workers Party], where the large majority of the extreme left groups are concentrated, or in the PMDB [Brazilian Democratic Mobilization Party], where the departure of the Communist parties did not persuade the MR-8 [Revolutionary Movement-8 October] to do the same. There are strategic reasons dictating this position. This is the case of the PRC [Revolutionary Communist Party], founded a year and a half ago, which considers clandestinity to be an indispensable condition for instituting socialism.

At least nine factions are linked to the PT: DS [Socialist Democracy], CS [Socialist Convergence], LeL [Freedom and Struggle], and CO [Labor Cause], all of Trotskiyist lineage; MEP [Proletariat Emancipation Movement], PRC [Revolutionary Communist Party], PD [Proletarian Democracy], AV [Red Wing], and PCBR [Brazilian Revolutionary Communist Party], all of which profess to be Marxist-Leninist.

The PCBR and the AV have virtually disappeared in Sao Paulo, and the CO and the PD have an insignificant influence. The AV remains in Rio de Janeiro, and the PCBR still has influence in the northeast, mainly in Recife, according to historian Marco Aurelio Garcia of the University of Campinas, a researcher of the communist movement in Latin America.

With the departure of the PCB [Brazilian Communist Party] and the PCdoB [Communist Party of Brazil], which have been legalized, the MR-8 was left as the only organization of the extreme left participating in the PMOB front and supporting the Democratic Alliance [the party coalition supporting the government, made up mostly of the PMOB and the Liberal Front Party]. Unlike all the other groups, the MR-8 is in the process of being legalized. It is, however, being registered as a "civil law organization," although the Secretary General of its Central Committee, journalist Claudio Campos, recognizes that the MR-8 is really a political party.

Campos, however, does not consider the situation of the MR-8 a contradiction. He believes that the PMDB, an an opposition umbrella, has not yet fulfilled its role despite the fact that the military regime has ended. Moreover, he sees the MR-8 as the largest catalyst of the unity of all the factions that made up the PMDB: "Our departure would weaken the PMDB and would deprive it of one of its strongest factors of unity."

There is yet another reason: Campos recognizes that if it becomes a party on its own, "the MR-8 will also be weakened." In his way of thinking, "the formation of new parties cannot be an artificial process," and the MR-8 cannot break "with a 10-year association with the PMDB. The formation of a strong Marxist Party in Brazil cannot be attained by separation from the real political process that hinges on the PMDB. The shortcuts will lead nowhere," affirmed Campos as criticism of the PCB and PCdoB.

The central point of the MR-8 position is that the PMOB has not yet played out its role in Brazilian politics and has a task ahead that is larger than that of having ended the military regime: to free Brazil from its dependency on the international financial community, and to struggle for the establishment of a new world economic order. For Campos, the new order does not mean a socialist order, but it should bring the question of socialism up for debate in the Brazilian society, thus permitting the formation of strong Marxist parties.

The Trotskiyite factions within the PT maintain profound differences among themselves, but they agree on one point: They all want to be legalized and to form their own parties. On the other hand, leaders of the DS, the CS, and the LeL (although this group no longer goes by this name) consider that their groups are "factions" or "trends" within the PT, all determined to build a party of the workers.

However, declarations of intention do not always reflect reality. The CS has been criticized by PT leaders for not fully accepting the party's directives and for trying to carve an autonomous image within the party's organization. PT Secretary General Francisco Weffort, 48, complains that "the CS is a problem for us, because it does not accept being a faction."

Despite the profusion of acronyms, Weffort does not see difficulties for coexistence within the PT, except for the CS which, according to him, is a typical case of "double militancy." He adds: "If they want to speak for the CS, they should leave the PT. We are not going to accept within the PT groups campaigning on their own for the November municipal elections, as seems to be happening in Minas Gerais. We will not tolerate this."

The CS argues that the PT should shelter "all the factions that want to organize the working class, according to Suzete Pavao, 32, a university physics teacher. A member of the CS National Directorate, Suzete Pavao considers the criticism by the PT leadership "discrimination" against the CS, and retaliates by saying that "it is an attack against the entire left within the PT and against free debate within the party."

That argument is not, however, backed by the Lel and the DS, which is the largest Trotskiyist group and one of the most expressive factions within the PT. Linked to the newspaper EM TEMPO, the DS represents the United Secretariat of the Fourth International (founded by Leon Trotskiy) in Brazil, of which the economist Ernst Mandel is the most prominent figure. The CS is associated with a dissidence of the Fourth International, the Workers International League, whereas the Lel (today associated with the magazine O TRABALHO) is associated with another dissidence, the International Center for the Fourth International Reconstruction.

The DS and the Lel see the PT as a party in the process of consolidation, not as a front of leftist organizations. Josimar Melo, 31, editor of the magazine O TRABALHO and a Lel leader, said: "We struggle along with the labor union under the PT for the re-affirmation of the party's original objective not to have any commitment to the dominant class and not to be a simple front of factions."

Economist Joao Machado, 34, a leader of the DS, agrees with Josimar Melo by affirming that the PT "should not be a temporary front." His group's objective is to build a revolutionary party in Brazil, something which the PT is not, although "it is advancing in that direction."

Among the Marxist-Leninist groups not linked to Trotskiyism, the idea that the PT may become the definitive party of the working class or the instrument of the socialist revolution in Brazil is not all that strong. As Federal Deputy for the PT Jose Genoino, who vehemently denies being a member of the PRC as it is, said, the socialist revolution in Brazil will necessarily have to be carried out by an avant-garde clandestine party.

Deputy Genoino considers himself a communist, although he says the PT is not a communist party. A former guerrilla in Araguaia (Southern Para state) for the PCdoB, Genoino joined the PT in the belief that this party will have "an important role in the revolutionary process," a role that will have to be complemented by that of a clandestine communist party. This communist party operating clandestinely will demand the preparation of "a theory of Brazilian revolution, and a critical evaluation of all the socialist experiences, disregarding all dogmatism."

The project of a clandestine communist party working within the PT, but not mixed with it, is the basis of the PRC strategy to move toward socialism. The PRC is the only group of those linked to the PT which considers it to be a front. "We consider the PT to be a political front," says Ozeas Duarte, 44, an editor and "representative" of the PRC in Sao Paulo. He calls himself a "representative" because he had been appointed by the PRC Central Committee to make contacts with "the outside public" in San Paulo.

In the best style of a Marxist-Leninist revolutionary party, the PRC, according to Ozeas Duarte, is already immersed in clandestine efforts to launch the Brazilian revolution. The names of its Central Committee members are unknown, as are the names and numbers of its members and the identities of "some 15" congressmen it it is said to have in Brazil. Founded in January 1984 as a splinter from the PCdoB and as an umbrella of smaller groups, the PAC defends the strengthening of the PT, but claims to keep its own profile. This is the reason why in Recife, for instance, the PRC supports the candidacy of Jarbas Vasconcelos of the Brazilian Socialist Party [PSB], not that of the PT. "We are not a faction within the PT, but a group with its own profile, taking advantage of any opportunity to assert it."

In a similar position is the MEP, an organization with a Marxist-Leninist affiliation founded in 1976. It is so distrustful of the current political transition that one of its leaders asked that his name not be revealed. According to this leader, the MEP is a well-defined political party that does not act as a faction within the PT, but it will not seek its legalization.

According to the same leader, that decision is based on questions of security ("the espionage and security agencies are there"), and on the recognition that a separation would weaken both the PT and the MEP. This group is betting on the eventual reunification of the Brazilian communists and sees the PT "as a great political school for the workers," and "initial" step toward the formation of an authentic Brazilian revolutionary party.

PINOCHET COMMENTS ON NATIONAL ACCORD DOCUMENT

PY282106 Santiago Radio Chilena in Spanish 1700 GMT 28 Aug 85

[Text] President Augusto Pinochet has stated that the government and certain pseudo-political groups are separated by different principles which cannot be negotiated or compromised. With these remarks, President Pinochet commented on the document entitled National Accord for the Transition to Full Democracy that was prepared by representatives of 11 political groups. He made the statement at the Diego Portales Building during a ceremony marking an anniversary of a women's volunteer organization.

Pinochet also stated that the 1980 Constitution will not be amended. He said: We will never return to the past, either directly or indirectly. In his opinion, to do this would mean to betray the Chilean people.

Pinochet added: Those of us who faced up to the situation which prevailed until 11 September 1973 are inspired by profound personal convictions. It is thus difficult for those who are observing the Chilean situation from afar or who did not participate in that event to understand our ideals. Pinochet said that those people do not carry any weight. He added: We are separated by irreconcilable differences. Our actions are not guided by intolerance or intransigence but by different principles that cannot be reconciled through mutual concessions or through giving our complete trust to those who seek to deceive us.

DEL VALLE SILENT ON U.S. STATEMENT ON DOCUMENT

PY282238 Santiago Radio Chilena in Spanish 1700 GMT 28 Aug 85

[Report by Jose Francisco Contreras from the Foreign Ministry]

[Excerpt] Foreign Minister Jaime del Valle will not comment on a U.S. State Department statement on the National Accord for the Transition to Full Democracy until Minister Secretary General of Government Francisco Cuadra states the government's position on this political document.

U.S. State Department spokesman have lauded Cardinal Fresno's efforts and have described as positive, pragmatic, and far-reaching the National Accord for the Transition to Full Democracy.

SOCIALIST BLOC ENDORSES OPPOSITION'S ACCORD

PY282347 Santiago Radio Chilena in Spanish 1700 GMT 28 Aug 85

[Excerpts] Ricardo Nunez, coordinator of the Socialist Bloc [BS], has announced that the BS supports the National Accord for the Transition to Full Democracy and that each BS member plans to sign it. Nunez read a BS public statement during a press conference.

The BS urges all socialist factions and leftist groups to complete the spectrum of forces that have issued the National Accord by clearly endorsing this document.

[Begin Nunez recording] Within this framework, the BS urges all social organizations and political parties to start signing en masse the National Accord for the Transition to Full Democracy on 4 September, a date that had been historically, until the advent of this regime, earmarked for holding elections in Chile. [end recording]

FOREIGN MINISTRY OFFICIAL ON TRADE WITH BRAZIL

PY270623 Santiago Domestic Service in Spanish 2300 GMT 26 Aug 85

[Text] Foreign Under Secretary Colonel Humberto Julio has held several meetings with top Brazilian authorities. This announcement was made by Foreign Ministry spokesman Pablo Valdes referring to the visit Colonel Julio recently made to Brazil. Valdes stated that during his meetings, Colonel Julio discussed bilateral relations, including issues related to the economic and commercial areas, among them copper. Valdes added that the Brazilian Foreign Ministry officials have offered their complete support, hoping to find a positive solution to this situation. Referring to an eventual reduction in the purchase of Chilean copper, which Brazil normally buys, Valdes explained that there is a substantial decline in the trade exchange and that the trade balance is negative for Chile. The Foreign Ministry spokesman concluded by stating that we are making an effort to promote, to the extent possible, trade with Brazil so that a satisfactory balance may be reached.

SPANISH SCIENTIST SAYS URANIUM DISCOVERED IN ANDES

PY230155 Madrid EFE in Spanish 1425 GMT 21 Aug 85

[Text] Santiago, 21 Aug (EFE) -- A Spanish scientist said today in Antofagasta, northern Chile, that large quantities of uranium are located in the Andes mountain range. Dr Antonio Arribas, director of the Department of Geology of the University of Salamanca, Spain, disclosed important results of the work that he has carried out in this South American mountain range as a result of which large uranium deposits have been discovered. The Spanish scientist is currently participating in the Fourth Chilean Geology Congress, which for the first time includes several foreign scientists in addition to almost 500 Chileans who have registered as regular participants. Dr Arribas believes that the characteristics of the Andes mountain range in Chile are similar to those prevailing in Peru and Bolivia, which guarantees that the uranium found there must be of very high purity. According to the Spanish scientist, uranium will play a very important role in the future, not only because of the military use to which it can be put, but also because it is a source of conventional energy.

TWO EXPLOSIONS REPORTED IN DOWNTOWN SANTIAGO

PY282139 Santiago Radio Chilena in Spanish 1800 GMT 28 Aug 85

[Report by Nibaldo Fabrizio Machati from downtown Santiago]

[Test] I am calling to correct earlier reports and to give further details. Let us make a brief review of events: An explosion occurred in downtown Santiago at 1244 inside the Savory 2 Cafeteria, at 840 Huerfanos Promenade. Three employees were injured when the bomb which, according to an unconfirmed report, was planted in a bathroom of the cafeteria, exploded. The injured are: Francisco Cona Yancao, Patricia Meza, and Patricia Valenzuela. A second explosion occurred 5 minutes later outside the Ripley store at 967 Huerfanos Promenade, 100 meters from the Savory 2 Cafeteria. This explosion caused minor injuries to three persons, who suffered head injuries when they fell on the pavement. The bomb, which was planted under a front glass case, wreaked havoc and sowed panic among the many pedestrians that were on the Huerfanos Promenade. The bomb that exploded here at the Savory 2 Cafeteria, where National Intelligence Center [CNI] personnel are now investigating the cause of the explosion, was apparently much more powerful than the one that exploded at the Ripley store. Three people were seriously hurt here. We were told by Carabineros that we should wait for a CNI official communique on these bombings.

DEATH OF M-19 LEADER RESULTS IN WAVE OF ATTACKS

Armed Forces Provides Details

PA282031 Madrid EFE in Spanish 1929 GMT 28 Aug 85

[By Roberto Rojas Monroy]

[Text] Cali (Colombia), 28 Aug (EFE) -- The Armed Forces General Staff reported today that the death of Ivan Marino Ospina, member of the National Directorate of the 19 April Movement (M-19), thwarted a gigantic terrorist plan in Cali, in the western part of the country.

Marino Ospina, 45 [age as received], was found dead in a home in the Los Cristales neighborhood, considered by authorities to be a bunker used by the guerrilla group, which has been in hiding since last 21 June after declaring the end of a cease-fire signed on 24 August 1984 with the President Belisario Betancur regime.

Ospina's son Gerardo was killed in the same action. Early reports described him as a guerrilla of Cuban origin who acted as the bodyguard of the former top M-19 leader.

According to the 3d Brigade, the rebels were holding a summit meeting at the home where Marino Ospina and his son died. Among those present were Carlos Pizarro Leon-Gomez and Rosenberg Pabon, the well-known Commander Uno who directed the occupation of the Dominican Republic Embassy in Bogota for 61 days -- between February and April of 1980 -- where 16 diplomats from an equal number of countries were held hostage.

The results of the Oiga Caleno, Vea operation so far have been eight persons killed, several wounded, a dozen arrests, among them the wife of the deceased guerrilla chief, as well as a son and a cousin and the confiscation of a considerable number of arms, authorities reported.

The official announcement of Ospina's death set off a wave of attempts, shootouts, and attacks on police posts in Cali while the authorities attempted to repel the insurgents' attacks.

In Siloe District, an M-19 cell tried to occupy the Western Police Post and four civilians and two other guerrillas were killed and four soldiers as well as several residents of the area were wounded in the crossfire. An Army spokesman said that the civilians imprudently crossed the line of fire. He added that the authorities are virtually in control of public order, which has been disrupted in the last few hours because of Ospina's death.

In Bogota, Army Commander General Rafael Samudio Molina confirmed the death of the guerrilla leader and the seizure of an important arsenal consisting of FAL rifles, carbines, ammunition, rocket-type missiles, and substantial M-19 propaganda material.

When asked if Ospina's death and the seizures and raids on other premises of the organization meant that the rebels have been defeated, the senior officer said that he hoped this was the end of M-19.

Ospina replaced the late Jaime Bateman Cayon, who died in a plane crash in Panama's jungles in April 1983, as top M-19 leader, but was relieved of this position during a reorganization of the group.

During November 1984, following a second meeting with Colombian President Belisario Betancur in Mexico City -- the first one was held in Madrid in October 1983 -- Ospina told the international press that he agreed with murdering and perpetrating terrorist attacks against U.S. citizens in Colombia and Latin America.

The M-19 did not like its leader's statements, however, and late that same year, during its national congress at Los Robles, -- a place in the central mountain range at the borders between Cauca and Valle Departments, in the country's western region -- it elected a new 5-member leadership which included the leader who died today.

Terrorist Offensive in Cali

PA281843 Madrid EFE in Spanish 1654 GMT 28 Aug 85

[Text] Cali, Colombia, 28 Aug (EFE) -- Authorities have reported that a number of shootings and attacks on police stations broke out today in this western Colombian city following the death of Ivan Marino Ospina, guerrilla leader of the M-19.

A spokesman of the Cali police command said that when groups of terrorists heard the official announcement of the death of Marino Ospina they began a terrorist offensive against several police stations in neighborhoods on the outskirts of Cali.

Colonel Guillermo de la Cruz Sanclemente, commander of the staff of the 3d Army Brigade, confirmed the death of Marino Ospina inside a house considered to be an M-19 bunker in the Los Cristales neighborhood in western Cali.

As soon as the death of the 38-year-old Marino Ospina was confirmed, M-19 urban cells began a series of attacks on police stations in the La Nave, Siloes, and Los Tejares neighborhoods as well as in the Aguablanca District in southwestern Cali, a community of more than 300,000 low-income persons where M-19 had established some camps a few months ago.

A medical source at Cali University Hospital reported that four wounded civilians and one soldier of the 3d Brigade entered that hospital after the clashes. Meanwhile, the police identified a policeman wounded in the action that led to the death of Marino Ospina and his bodyguard as Libardo Paez.

In an operation called, "Listen, See People of Cali," troops of the 3d Brigade and the city's police are carrying out intense patrols in various Cali neighborhoods to prevent the terrorist escalation, a military source reported. The source did not indicate whether there have been other deaths.

NATIONALIZATION OF FOREIGN HOLDINGS RULED OUT

PY290137 Paris AFP in Spanish 2054 GMT 28 Aug 85

[Text] Lima, 28 Aug (AFP) -- Prime Minister Luis Alva Castro, who is also the economy minister, today gave assurances that the new Peruvian administration is not planning to nationalize the Southern Peru Copper Corporation, a U.S. company, or the credit bank, Peru's most powerful private bank. He said that such actions are not in line with APRA [American Revolutionary Popular Alliance] principles. The minister made these statements after a 12-hour congressional debate over the government plan he submitted to Congress on 26 August. The plan includes reforms in the development program Peru has implemented in the last few years.

In response to questions asked by opposition members, Alva Castro ruled out the possibility that the government would nationalize foreign holdings. The Southern Peru Copper Corporation owns large copper deposits in southern Peru. Its annual production is approximately 200,000 tons. The credit bank is owned entirely by Peruvian investors. In the past, it had links with Italian banks.

Alva Castro then reiterated that Peru will amortize its foreign debt with 10 percent of its export income, and that the government is planning to implement a transformation in the country in order to raise the living standards of the poorer sectors, reactivate the productive apparatus, and stabilize the economy.

POLICE BREAK UP BANK CLERKS DEMONSTRATION

PY281848 Paris AFP in Spanish 2040 GMT 27 Aug 85

[Text] Lima, 27 Aug (AFP) -- Police antiriot cars broke up street demonstrations by bank clerks here today. The bank clerks have been on strike for the last 5 days, asking for a wage increase. The strikers took to the streets for the second consecutive day, after turning down an alternative offered by the Labor Ministry, which offered wage increases and gave the strikers 72 hours to stop the strike before it is declared illegal.

The Bank and Insurance Superintendency reported that the strike by the Bank Clerks Federation (FEB), made up of 30,000 workers, was only partially complied with and that 70 percent of the banks operating in the country were able to open under police protection.

In an attempt to halt the trade union dispute, the Labor Ministry decided to authorize an immediate wage increase equivalent to $44.70 and two additional readjustments of $9.65 and $12.80 for the coming months of January and April, respectively. Nevertheless, the FEB turned down the proposition, insisting on their demand for a $179-wage increase. Initially, the banks had agreed to an increase of $35.70, but this increase was also turned down by the union.

REPORTS TERRORISTS LINK DRUG TRAFFICKER GANGS

PY282329 Madrid EFE in Spanish 0100 GMT 27 Aug 85

[Text] Lima, 26 Aug (EFE) -- According to reports released in Lima today, Colombian and Peruvian terrorist groups may have links with the international drug trafficking gangs operating in the Peruvian Amazon jungle. A preliminary investigation conducted by the Peruvian Investigative Police (PIP) has discosed evidence linking terrorists to drug traffickers. The evidence was found in a clandestine cocaine complex raided by police in Callaru, near the Colombian border, in Loreto Department, on 13 August.

In Callaru, members of the PIP antiterrorist department found objects belonging to terrorists. It is believed that terrorists may have protected the drug traffickers' gang. The antiterrorist department has pointed out that in addition to this evidence, there is also the death of three terrorists, a Peruvian, a Bolivian, and a Uruguayan, in a clash with the Colombian Army in the Colombian jungle. Miguel Rojas, the Peruvian terrorist, had joined the M-19, a Colombian subversive group.

Meanwhile, Peruvian Interior Minister Abel Salinas reported that today the police discovered and raided a clandestine airport fitted with a 2,000-meter airstrip, 10 km northwest of Callaru near Caballococha, in the jungle. According to the minister, some 1,200 meters of the 100-meter wide airstrip were made of concrete, and materials found in the raid showed that the remaining stretch was also to be covered with concrete.

Salinas said police action against drug trafficking in the Peruvian Amazonian region will continue, and that more clandestine cocaine processing facilities are expected to be discovered in the next few days.

He also announced that in a few days new measures will be enacted as part of a reorganization process the police have been undergoing. These changes come after 37 PIP and Civil Guard generals were discharged 2 weeks ago. The minister reported that disciplinary measures were taken against four Ayacucho Civil Guards, who were forced to retire, and that two Lima Republican guards involved in the death of a civilian have been placed at the disposal of the authorities.

CIVIL GUARD GENERAL ON ANTIDRUG OPERATIONS

PY281604 Lima Cadena Panamericana Television in Spanish 0300 GMT 28 Aug 85

[Excerpt] General Walter Andrade, director of the Civil Guard Narcotics Department, has said that in a few days, new operations will be carried out against drug traffickers operating in the jungle area. He also reported that 924 kg of cocaine base was brought to Lima today. This is part of the 3,000 kg recently seized in the Caballococha area.

[Begin recording] [Reporter] General Andrade, what is the result of the great operation against drug trafficking in the northeast area of Peru?

[Andrade] The first phase of the "Condor Operation," as you have seen, involved the confiscation of five small airplanes, three Colombian, one Bolivian, and one American. We detected two small airplanes that had crashed in the jungle. We confiscated 927 kg of cocaine base which was brought to Lima. We had to destroy 2,000 kg because it was in the process of being made into cocaine. It could not be brought to Lima because it was in open cylinders with acid and other chemicals used in the process of making cocaine. The cocaine base has been destroyed and the necessary reports written. Other chemicals such as ammonia, acetone, kerosene, sulphuric acid, and ether were also destroyed and a report written to be included as part of the investigation. We also seized a Brazilian-made tractor, 10 pieces of communications equipment, and laboratory elements. We were not able to bring the centrifugal dryers and electrical power equipment because our personnel is using them to pump water and electricity. [end recording]

ARMY TROOPS, SHINING PATH GROUPS CLASH; 23 DEAD

PY281722 Paris AFP in Spanish 1901 GMT 27 Aug 85

[Text] Lima, 27 Aug (AFP) -- It was reported here today that the latest clashes between Shining Path guerrillas and Army troops in different parts of Peru have left 23 dead, 7 of them karate fighters, in what seems to have been a tragic mistake.

The clash that produced the most victims took place in the Andes in Ayacucho, 575 km southeast of Lima, where an Army patrol intercepted a Shining Path column in the regions of Tapuna and Pucayacu.

The Army report said that 12 guerrillas were killed. Among them was their leader, identified as Emilio Chavez. The report did not indicate whether the military suffered casualties, but other sources in Ayacucho asserted that several wounded individuals were evacuated from the area.

The guerrilla column was being pursued because the military command had received reports on their activities. The guerrillas were reportedly stopping buses to distribute subversive propaganda and to collect fees from the passengers.

Ayacucho has been the bastion of the Shining Path group since it began to operate in the rural areas of Peru in 1980. The Shining Path attacks have left a total of nearly 7,000 dead during the past 5 years. The authorities have reported that guerrilla activities have diminished because of the pacification carried out in Ayacucho but that once in a while some Shining Path groups still create problems.

In Mariscal Caceres Province in eastern San Martin Department, authorities have reported that an infantry patrol killed seven persons who were practicing martial arts. The patrol had mistaken them for Shining Path members.

Jose del Aguila Isminio, 30, who owned the Green Dragon Academy, is one of the victims of this confusing incident. Court official Julio Curay said that the seven bodies were left in a ravine, and that later investigations proved they were not guerrillas.

In the district of Castillo Grande, near Tingo Maria, 558 km northeast of Lima, Provincial Governor Jose Sayan Guerra was shot to death by two individuals whom the authorities claimed were rebels.

In the nearby town of La Esperanza, three peasants were killed in an attack which the authorities termed as typical of the guerrilla's style.

In Lambayeque, 763 km north of Lima, an employee of Pedro Ruiz Gallo University lost his left leg on Monday when a booby-trap bomb exploded as he was trying to raise a Shining Path flag in the main patio of this university. The employee was identified as Jose Paico, 49.

The police said this is the third attack of this kind in the city. A month ago, a 17-year-youth lost both legs and his left arm in a similar accident, and policeman Jorge Valverde lost his left foot while deactivating a bomb.

SILVA HERZOG TO SIGN DEBT RESTRUCTURING CONTRACTS

FL281320 Mexico City NOTIMEX in Spanish 0035 GMT 28 Aug 85

[Text] Mexico City, 27 Aug (NOTIMEX) -- Next Thursday the Mexican Government will end 3 years of negotiations to restructure its foreign public debt. The contracts amounting to $20.1 billion will be signed in New York with some 630 banks from 42 countries. These debts were originally scheduled to become due from 1985 to 1990.

Mexico's Finance Secretary Jesus Silva Herzog will travel tomorrow to New York for that purpose. This signing ceremony marks the completion of the agreement on multiannual restructuring of the public sector debt, amounting to $48.7 billion of which $28.6 were rescheduled last 29 March.

Eventually, Silva Herzog optimistically said, he was sure that just as the 1982 crisis had been overcome, the international financial community, debtor countries, creditor nations, and international financial institutions will get together to seek a more reasonable and permanent solution to the problem of the debt of developing economies.

Mexico is the first country to finalize multiannual negotiations of its foreign debt, and it is known other Latin American countries will probably do the same in coming months. However, it is true that the problem of the Mexican and Latin American foreign debt has not been permanently resolved, inasmuch as it is something that cannot be solved from one day to the next.

Despite that, the ceremony to be held day after tomorrow certainly ends one phase which eliminates future uncertainties and normalizes Mexico's financial relations with foreign creditors. Starting from this solid and legal base, Mexico will be able to seek other possibilities which could not only become permanent solutions, but could also mark the beginning of its economic and trade development.

GOVERNMENT APPOINTS AMBASSADOR TO EL SALVADOR

PA290252 Paris AFP in Spanish 0239 GMT 29 Aug 85

[Text] Mexico City, 28 Aug (AFP) -- The Mexican Government designated Fernando Urruchua as Mexican ambassador to El Salvador today, after 5 years in which that post had remained vacant, the Foreign Secretariat announced here. Urruchua was the ambassador to Jamaica, a post in which he will be replaced by Gustavo Iruegas.

PHARMACEUTICAL PROGRAM FINALIZED WITH FRANCE

FL232125 Mexico City NOTIMEX in Spanish 0205 GMT 23 Aug 85

[Excerpt] Mexico City, 22 Aug (NOTIMEX) -- France has finalized a pharmaceutical investment program with Mexico amounting to 3.5 billion pesos ($12.11 million), Loink le Floch, president of Ritone Poulec Pharmaceutical Company, has announced. The official reported that the agreement was negotiated between that French enterprise, leader in the pharmaceutical industry, and Secretary of Commerce Hector Hernandez Cervantes, Secretary of Health Guillermo Soveron Acevedo, Secretary of Energy and Mines Francisco Labastida Ochoa, and Secretary of Agriculture Eduardo Pesqueira Olea.

ICELAND PRIME MINISTER BEGINS VISIT

FL282324 Mexico City NOTIMEX in Spanish 2140 GMT 28 Aug 85

[Text] Mexico City, 28 Aug (NOTIMEX) -- Iceland's Prime Minister Steingrimur Hermannsson has said his country is willing to provide Mexico with fishery technology assistance so it can develop its economy. The official was interviewed at Mexico City's airport upon his arrival. He will attend the meeting called Mexico from Abroad, Year 2010. He said Mexico has a good future because it is rich in energetics and other products. However, he pointed out it should deal with the overpopulation problem because this is an important factor in the development of economy.

CANADIAN PEACE GROUP TO DISCUSS SUPPORT EFFORTS

FL280233 Mexico City NOTIMEX in Spanish 0050 GMT 28 Aug 85

[Text] Mexico City, 27 Aug (NOTIMEX) -- A Canadian delegation on a peace mission, which arrived in Mexico yesterday, will be received tomorrow at the Republic's Senate and later will meet with Ricardo Valero, Mexico's foreign under secretary. The peace mission is visiting Mexico to find out about the best ways to support efforts to achieve peace in Central America.

It was reported that Canadian delegation will also meet with high-level officials from: Honduras, Costa Rica, El Salvador, Cuba, and the United States.

John Foster, the delegation's official spokesman, indicated that there is a general feeling in Canada about supporting efforts to achieve peace in Central America.

He reported the delegation met today with representatives of the Salvadoran opposition residing in Mexico and with specialists on the Central American region situation from the Center for Research and Economic Studies [CIDE].

CHAMBER OF COMMERCE REPORTS FRG INVESTMENTS

FL281550 Mexico City NOTIMEX in Spanish 0140 GMT 28 Aug 85

[Excerpts] Mexico City, 27 Aug (NOTIMEX) -- In 1984, West German companies invested 485 million marks (around $160 million) in this country, the Mexico-FRG Chamber of Commerce has reported. According to a study of trade relations between the two countries, this showed a 92.8 percent investment increase compared to the previous year. With this increase of 485 million marks, FRG's total investments increased by 33.4 percent, thus, 1,937,600,000 marks.

The same study showed that among the 159 countries participating in West German investments in 1984, Mexico is in sixth place, after the United States, the UK, Holland, Spain, and France. Based on this it can be said that Mexico is in the first place among all developing countries in West German investments. It was reported that not all the 485 million marks currently invested in Mexico are fresh currency [moneda fresca] since in some cases business matrices' capitalize credit toward their Mexican subsidiaries.

Data from the German Government does not report in which economic sector the investments were made. The Mexican-FRG Chamber of Commerce interpretation is that it deals in branches in which German capital already exists as in the chemical industry, pharmaceuticals, construction of machinery and apparatus, and the electrical industry.

According to the analysis, it can be said that FRG is the second most important investor in Mexico after the United States due to the great impulse of foreign investments in Mexico with the 485 million marks invested in 1984 as well as with 1,983,000,000 accumulated marks.

INSTITUTE REPORTS FAVORABLE TRADE BALANCE

FL220150 Mexico City NOTIMEX in Spanish 2245 GMT 21Aug 85

[Text] Mexico City, 21 Aug (NOTIMEX) -- Despite the drop in Mexican exports, the Mexican balance of trade during the first seven months of 1985 was favorable, amounting to $4,285,200,000, the National Institute of Statistics, Georgraphy, and Information of the Secretariat of Planning and Budget has reported.

The National Insititute of Statistics said the balance was 47.3 percent lower than for the same period of 1984 and that this was due to the decrease in exports of manufactured products and crude oil.

Mexican sales abroad totaled $12,451,200,000. Imports totaled $8,166,000,000. These figures indicate a decrease of 13.9 percent in Mexican sales abroad and an increase of 29.2 percent in imports in comparision with the same period in 1984.

The institute said exports of products not related to petroleum decreased 14.6 percent during the first seven months of 1985 and petroleum exports decreased 13.5 percent due to a 39.8 percent decrease in the sales of petrochemical products. Crude oil sales totaled $7,511,000,000, which is 15.9 percent less than sales during the period of reference.

From January to July 1985, agricultural exports such as untoasted coffee beans, chickpeas, and fruits increased as did such exports of extractive industries as zinc, mineral concentrates, unrefined lead, and lead concentrates. Exports of the following products not related to petroleum also increased: beer, toasted coffee, processed fruits and vegetables, nonmetallic mineral products, automobile engines, and data processing equipment. Merchandise bought abroad totalled $8,166,000,000, which represents an increase of 29.2 percent over the same period of the preceding year.

The greatest increase in imports was that of capital goods, imports of which increased 34.1 percent. Imports of consumer goods and intermediate use goods grew 32.2 and 28.7 percent respectively. Private sector imports of capital goods and consumer goods increased 57.7 and 82.7 percent respectively, while imports of intermediate use goods increased 53 percent.

Public sector imports totaled $2,689,600,000. Private sector imports totaled $5,143,500,000. The data presented are included in the foreign trade statistics under the temporary imports and exports of Mexican enterprises, with the exception of the statistics referring to assembly plants, which are presented separately.

ABADIA DEFENDS CONTADORA GROUP'S IMPARTIALITY

PA282006 Panama City Panavision Television in Spanish 0000 GMT 28 Aug 85

[Telephone interview with Foreign Minister Jorge Abadia Arias by correspondent Maria Emilia Horna -- recorded]

[Text] [Horna] Mr Minister, today Costa Rican President Luis Alberto Monge said that an analysis of the results of the recent foreign ministers meeting in Cartagena leads to the conclusion that the Contadora Group, and those that support it, show a marked preference for Nicaragua, without granting equal consideration to Costa Rica's interests. How does the Panamanian Government view this?

[Abadia] We understand and respect the statement by President Monge, whom we consider a great president and a level-headed statesman. However, the position of the Contadora Group and the support group is not to protect or attack a specific country. Otherwise, we would not have been able to obtain the world's respect and trust. Our peacemaking efforts aim toward a peaceful agreement among all of the countries through dialogue, understanding, and mutual respect. Neither as members of the Contadora Group, nor as a country, nor as officials would we lift a finger to hurt the beloved Republic of Costa Rica, its Government, or its people. That is how we feel.

FURTHER REPORTAGE ON ZUNIGA KIDNAPPING, RELEASE

Zuniga Leaves Hospital

PA281958 Panama City EXTRA in Spanish 28 Aug 85 p 20

[Text] "Genuine peace should reign in our country, not the peace of the garrisons that the military elite constantly cites," Amoaccs [Association of Doctors, Dentists, and Related Professionals] Secretary General Mauro Zuniga, who was abducted several days ago in Santiago, Veraguas Province, said.

Zuniga issued this statement yesterday upon leaving the Social Security Institute's Metropolitan Hospital where for several days he was treated for injuries inflicted on him by his captors, who ultimately freed him on a road in San Felix, Chiriqui Province.

Zuniga expressed harsh criticism of Panama's military leaders whom he charged mishandle the funds that should be used to resolve the many health problems Panamanians face.

He demanded unity among Panamanians as the only outlet for the deep chaos within which the country is enmeshed.

Concerning Attorney General Manuel Jose Calvo's statement that investigations into Zuniga's abduction will continue until the case is resolved, the opposition leader said that as is customary, nothing will really be done.

Authentic Panamenist Communique

PA281930 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Aug 85 p 56, D 12

[Communique issued by Authentic Panamenist Party's legislative bloc in Panama City on 22 August]

[Text] Faithful to its democratic principles, and in response to the foiled kidnapping attempt against Dr Mauro Zuniga, president of the Amoaccs and the Coordinating Board for National Civilianization [Cocina] on 21 August, we hereby express our most emphatic repudiation of that action which, contraty to the interests of peaceful coexistence between Panamanians, seek to introduce sinister practices in our country that are inflicting pain and sorrow in the sister nations of Central America.

The Authentic Panamenist Party demands that the responsible authorities investigate the action to identify and punish the guilty in an exemplary fashion as a warning to those who plan to stage acts of violence in Panama in disregard for the civilized ways of struggle.

Francisco Artola, Coordinator

FENASEP PUBLIC EMPLOYEES STRIKE ENDS 27 AUG

PA281218 Panama City Televisora Nacional in Spanish 0000 GMT 28 Aug 85

[Text] During a news conference today, Hector Aleman, secretary general of the National Federation of Public Employees Associations [Fenasep], referred to the agreement reached with the executive branch which ended the public employees strike at 0520 this morning.

[Begin Aleman recording] For us it was necessary to obtain the assurance that our stability would not be affected and that the existing legal norms would not be violated. We also sought the immediate reinstatement of all public employees we proved were unjustly dismissed. We obtained all of this in the agreement we reached. It also solved some problems that were pending, such as our participation on the Board of Directors of the Social Security Fund, and the solution of the Bayano Cement Plant problem by reinstating all of the dismissed workers. We also agreed to negotiate the Bayano Cement Plant workers demands, which still have not been solved. [end recording]

COSTA RICA

GOVERNMENT RESPONDS TO 27 AUGUST BORDER ATTACK

Security Council Views Incident

PA281920 San Jose Radio Reloj in Spanish 1810 GMT 28 Aug 85

[Report by unidentified reporter at the Presidency in San Jose -- live; monitored in progress]

[Text] ...the government will adopt and the frustration the Monge administration is experiencing as a result of the continual aggressions by the Sandinist regime, said [Costa Rican Information Minister] Armando Vargas Araya.

[Begin Vargas Araya recording] The Security Council is in session at this time to discuss a report issued by the Alfa 10 Civil Guard detachment posted at Boca San Carlos on the incident that took place between 2115 and 2130 last night.

Rifle and mortar fire from Nicaragua was aimed against Costa Rican territory. This morning it was confirmed after an on-the-site inspection that the health center located 175 meters from the bank of the San Juan River, inside Costa Rican territory, received at least 200 rounds of rifle fire. There was shelling, but evidence of the shells' impact on the community's buildings has not been found. It is presumed that the shells fell in the waters of the San Carlos and San Juan Rivers.

The members of the Civil Guard opened fire to counter the attack in view of the fact that the bullets were flying over the trenches erected around the Alfa 10 Civil Guard observation post, which is staffed by approximately 20 men since it was recently reinforced.

This morning the Civil Guard has been engaged in reconnaissance of the area, spanning approximately 1 km on either side of the observation post to determine if there is more evidence that can be collected to further determine the [words indistinct] of the attack which, as I said, took place between 2115 and 2130 last night. These are the overall details that the Security Council is currently evaluating. [end recording]

Prepares Protest Note

PA282320 Paris AFP in Spanish 2202 GMT 28 Aug 85

[Text] San Jose, 28 Aug (AFP) -- According to official sources, the Costa Rican Government is preparing a new protest note for an attack carried out last night against Boca de San Carlos in the country's northeast by unidentified persons from Nicaraguan territory.

After the council of the government met, Deputy Government Minister Jose Carballo indicated that, according to preliminary Civil Guard reports, the local health center was the most seriously affected structure. The area is largely uninhabited. Carballo reported that the health center sustained from 150 to 200 bullet holes.

The very small Boca de San Carlos community is located only 100 meters from Nicaraguan territory, separated only by the San Juan River, which forms the natural border between the two nations.

Carballo added that although the attackers have not been identified, it has been reported that the attack originated in territory "entirely under Sandinist People's Army, EPS, control" and that this is why the council of the government has decided to turn the security report over to the Foreign Ministry to prepare the corresponding protest note.

Meanwhile, Carlos Pacheco, director of the Civil Guard Atlantic Command, today prepared a report in Boca de San Carlos about what happened there. He told AFP that report will be sent to the Costa Rican Security Council.

In addition, Lieutenant Salas, head of the Boca de San Carlos garrison, said the attack occurred last night after a boat was seen approaching Costa Rican territory. Someone began to fire from the boat and the garrison members returned the fire.

Salas added: The boat occupants tried to enter Costa Rican territory. Machinegun and mortar fire also came from Providencia Island on Nicaraguan territory and was aimed at the Civil Guard post. According to the lieutenant, the mortar rounds fell short, into the water, despite the short distance between Costa Rica and Nicaragua in this sector, where they are separated only by the San Juan River.

MINISTER REPORTS 'HEAVY' CLASH NEAR BORDER

PA281240 San Jose Radio Reloj in Spanish 1209 GMT 28 Aug 85

[Text] Public Security Minister Benjamin Piza said last night that at approximately 1950 there was a heavy clash between rebels and the Sandinist People's Army [EPS] on the other side of the San Juan River near the mouth of the San Carlos River. He explained that due to the nearness of the Civil Guard post in Boca de San Carlos, a mortar grenade fell there but did not cause any damage.

ARDE [Democratic Revolutionary Alliance] has surrounded the EPS positions on La Providencia Island and in La Penca, reported Jose Davila, ARDE political leader. He added that in an attempt to break that siege, the Sandinist Air Force is bombing and is using Costa Rican territory.

EL SALVADOR

ARMY REVEALS NEW DETAILS ON ZONA ROSA ARRESTS

PA290321 Panama City ACAN in Spanish 0228 GMT 29 Aug 85

[Text] San Salvador, 28 Aug (ACEN-EFE) -- The Salvadoran Army today revealed new details on the arrest of three guerrillas who participated in the Zona Rosa massacre last 19 June in which 13 persons were shot to death.

The deputy public security minister, Colonel Reynaldo Lopez Nuila, said at a news conference that two members of the commando group were captured in the capital last 12 August, while another was arrested at El Salvador international airport on 16 August.

Lopez Nuila reported that Jose Abraham Dimas Aguilar (Abraham) and William Celso Rivas Bolanos (William) were arrested in a machine shop in the southern part of San Salvador on the basis of information obtained shortly after the shooting.

The third member of the captured commando group, Juan Miguel Garcia Melendez (Jose), was arrested by the special corps at the airport when he returned after being deported from San Diego, in the United States.

A total of 13 persons were killed in the attack, including four marines assigned to U.S. Embassy security in this capital. The attack was claimed by a commando group of the Revolutionary Party of Central American Workers (PRTC), one of the five groups that make up the FMLN.

Colonel Lopez Nuila added that the investigation of the Zona Rosa incident has been carried out by a special committee created by the Legislative Assembly shortly after the attack. The committee is made up of Minister of Defense General Carlos Eugenio Vides Casanova, Col Lopez Nuila, Deputy Minister of Defense Gen Rafael Flores Lima, and the security corps directors.

Lopez Nuila denied that members of experts of the U.S. Federal Bureau of Investigations (FBI) participated in the investigation. However, the official said that the Salvadoran Government has asked for the cooperation of specialized FBI personnel and equipment, jointly with Salvadoran personnel, in the analysis of some blood that has not yet been identified.

Of the 11 guerrillas who participated in the attack, 3 have been captured and 1 died of wounds suffered in the shooting. The rebel who died was identified as Jose Roberto Salazar Mendoza (Julio), who at first was assumed to be one of the victims of the attack, for which the PRTC claimed credit.

Jose Roberto Salazar Mendoza (Julio) died when he walked ahead of his companion "William" right into the line of fire, according to a report by the director of the National Guard, Aristides Napoleon Montes.

The special corps of the Salvadoran Army that made the arrests is made up by 23 agents of different security corps, who were trained in criminal investigation last year in Puerto Rico.

Lopez Nuila said that the three arrested rebels have supplied information that will help capture the seven other guerrillas who participated in the Zona Rosa attack.

DUARTE: NO TALKS WITH GUERRILLAS BEFORE OCTOBER

PA281637 Paris AFP in Spanish 1543 GMT 28 Aug 85

[Text] San Salvador, 28 Aug (AFP) -- In a statement to AFP, Salvadoran President Jose Napoleon Duarte has ruled out the possibility of holding talks with the country's rebels before October as long as they continue intent on "their violent methods." The president said that the FMLN and FDR "do not want to accept...that no struggle for power can justify violence."

"As long as the rebels maintain their position it will be impossible to hold talks because these would be useless," Duarte asserted, pointing out that it is unlikely that a third round of talks will take place before the next session of the UN General Assembly in October.

Meanwhile, the National Revolutionary Movement (MNR), whose top leader is Guillermo Manuel Ungo, also the president of the FDR, issued a statement carried by the afternoon daily EL MUNDO indicating that the government has chosen the option of war while "we have repeatedly proposed a negotiated political solution the conflict as the rational alternative."

"In choosing more war as an alternative, the Salvadoran regime and its sponsor, the Reagan administration, cannot assume that the major cities will be free from clashes and guerrilla actions," the MNR statement reads.

Meanwhile, President Duarte said in reference to the abduction of 13 mayors by the rebels last May, that "the rebels have deceived their relatives many times by telling them that the mayors will be released."

He denied that his party, the Christian Democratic Party, has abandoned its eight mayors who were kidnapped by the rebels. With regard to the rebels' claim that the government is holding missing guerrillas, Duarte said that official statements have already been issued concerning the case of Commander "Filomena," Yaneth Samour. The Salvadoran Army has stated that is was not holding her.

Duarte accused the guerrillas of wanting war because, he said, his government "is open to talks whenever they want as long as they desist from their violent methods."

However, the MNR, which together with the Social Christian People's Movement (MPSC) -- composed of former Christian Democrats -- make up the FDR, issued a new call to President Duarte to resume the talks "without conditions."

"Until now the U.S. military strategy to win the war has failed," the MNR statement says, "and the only one to blame will be Duarte if the bloodshed continues because the war is prolonged."

MINISTER STRESSES ALTERNATIVES TO CONTADORA

PA281938 Hamburg DPA in Spanish 1507 GMT 28 Aug 85

[Text] Bonn, 28 Aug (DPA) -- Fidel Chavez Mena, former Salvadoran foreign minister and current planning minister, said today in Bonn that the Central American countries should think about mechanisms other than the Contadora Group to seek peace and stability in the region.

Asked his opinion of the last meeting in Cartagena of the foreign ministers of Colombia, Mexico, Panama, and Venezuela, and of Argentina, Brazil, Peru, and Uruguay (the new Contadora support group), Chavez Mena said that although it is important, this "process to advance in the search for Central American peace and stability is not the only one. One cannot rely on just one instrument," he added.

Asked what other type of mechanisms he proposes, he said that it is important that one think about "holding meetings among the Central American countries within the framework of an overall, simultaneous solution. I do not think that one can separate political aspects from security issues since they are closely linked," he stressed.

He explained that his opinion must not be seen as a specific proposal in this regard. "The Contadora process and the emergence of a support group are important, but one has to ve enough imagination to think about elements that will contribute to the process of Central American peace and stability."

The minister said that he "hopes that the incorporation (of four countries as a means of support for the Contadora Group) will contribute to speeding up the pacification process." "In view of the prestige of the countries that have expressed their support," he added, "a process like Contadora, which has a good spirit and a healthy aim of seeking peace, is being strengthened."

Reminded of the criticism over the lack of political will on the part of the Central American countries and the excessive presence of the United States in reaching agreement on the Contadora peace plan, Chavez Mena said that "the will exists." However, he admitted the important and predominant role of the United States in what he described as "encouraging democracy and structural changes" in the case of El Salvador.

Asked if he thinks that the war in his country will end soon as a result of the increase in U.S. military aid or if the situation that some experts describe as "a draw" will continue, the minister stated that he "rejects the latter theory." "I do not accept the theory about a draw," he said. "There is a legitimate government and an Army with governmental and popular support that has weakened the guerrillas, who do not have moral authority to take up arms against a democratic process begun by the people."

He said that the FMLN and the FDR must understand that there is now a different situation in El Salvador: democracy, greater respect for human rights, greater international cooperation -- and not just from the United States -- and a positive economic situation as a result of the political stability." [end quotation marks as received]

FDR'S UNGO, ROSAS CHAVEZ DISCUSS DIALOGUE, MAYORS

PA281613 San Salvador Radio Cadena YSU in Spanish 1800 GMT 27 Aug 85

[Report by Raul Beltran]

[Excerpt] Dear listeners, this is a special report with opinions by FDR leaders and high-ranking Catholic officials on two current topics. The first is the dialogue that was suspended in November, while involved sectors have publicly announced their joint efforts to seek a solution to the conflict in El Salvador. The second topic is the fate of 13 mayors and 3 municipal secretaries detained by the FMLN for more than 4 months. First we asked FDR President Guillermo Manuel Ungo about his stance regarding a dialogue with President Duarte.

[Begin Ungo recording] Regarding this and according to our public response to the pastoral letter, we can say that we asked the archbishop to immediately meet with us as soon as we learned some of his statements. Unfortunately we have not been able to meet until now. However, this was not our fault because the archbishop did not answer our request for an immediate meeting. I expect this meeting to be held soon. Nevertheless, I cannot say when or where due to the private nature of the mediation. For this reason, I think Msgr Rosas Chavez has somewhat exceeded certain limits in his statements on a basically private issue; namely, the effort to reactivate the dialogue that the Salvadoran Government suspended. We have asked for a meeting with the mediator and I understand that this meeting will be held shortly. [end recording]

That was the FDR president commenting on the recent pastoral letter and the meeting being sought in the next few hours with church leaders to clarify some matters. Msgr Gregorio Rosas Chavez said the following with regard to the objective of the pastoral letter and his opinion on the dialogue:

[Begin recording] This is a good occasion to remind the church (?faithful) that the pastoral letter was written in view of the suffering of the people, their (?rejection) of violence, and their legitimate desire for peace. In addition, the pastoral letter was written to issue a call to [word indistinct] and to reconciliation. For Christians there is no other path to achieve peace. A sincere dialogue can only be held by men [words indistinct]. Since only God can change hearts [words indistinct]. [end recording]

President Jose Napoleon Duarte firmly maintains the government position that there will not be a new meeting or dialogue if the leftists continue to want a dialogue that is not sincere, and if they continue to seek what the president has described as a tactical dialogue. Regarding the mayors held by the FMLN for more than 4 months, their situation continues to be uncertain since both the FMLN and the FDR have denied that the church's announcement on Sunday is true. Before hearing the opinion of the FDR president on this topic, we will air a recording of the church announcement on the possible release of the captured officials. Here is Msgr Rosas Chavez:

[Begin recording] There is hope that the 13 mayors and 3 municipal officials kidnapped more than 3 months ago by the guerrillas will be released before 1 September. (?Eight) of these mayors were visited by their relatives in Perquin on 15 August. (?Some) guerrilla leaders promised to release the kidnap victims if two conditions are met: first, the publication of a letter signed by the kidnapped mayors; and second, the suspension of a march in San Miguel on Friday to demand the release of the kidnapped mayors. Both conditions have been met so the next move is up to the FMLN. [end recording]

The fate of the 13 mayors and 3 municipal secretaries kidnapped by the leftist guerrillas continues to be uncertain. Relatives with whom YSU has spoken said that they do not know when their relatives will be released. Regarding the release of the mayors held by the FMLN, FDR President Ungo said the following:

[Begin recording] As you have said well, I am president of the FDR and I am not a member of the FMLN Directorate. This morning I listened to the denial by Radio Venceremos and learned from the FMLN that the mayors held by the FMLN were recently visited by their relatives through the efforts of the International Red Cross. The information that I have indicates that the church was not in any way involved in this last action. In the past, the church was asked to participate with regard to the conditions for favorably and positively resolving the case of the mayors. This referred to the efforts to obtain the release of Commander Yaneth Samour and two other FMLN leaders, their transfer to common courts, or the admission that the government was holding them or that they are dead. I understand that the church made unsuccessful efforts, did not carry them out, or perhaps it believed the public version of the government which does not take responsibility for them, as it has not taken responsibility for 60,000 dead. Therefore, to my knowledge the church has not participated in the latest efforts. As far as I know, there is nothing definite on the release of the mayors as Msgr Rosas said with regard to the fulfillment of the conditions. I think this is another case in which the auxiliary bishop seems to be imitating Duarte in making hasty remarks to the news media. [end recording]

FMLN ISSUES COMMUNIQUE ON ROSAS CHAVEZ REMARKS

PA290152 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Aug 85

[Text] This is an FMLN communique regarding new statements by Msgr Rosas Chavez on the case of the mayors.

1. The matters related to the mayors held prisoner have been discussed through the International Red Cross committee and directly with the prisoners' relatives in areas under our control in Usulutan and Morazan Departments. The church has not participated in any of these contacts, either directly or indirectly.

2. Several months ago the church was asked to make efforts to resolve the cases of Commander Yaneth Samour and Companeros Carlos Portillo and Maximina Reyes, but the church officials refused to make these efforts or to even report the case. There has been no effort by either the church or Msgr Rosas Chavez related to the case of the mayors.

3. We consider it necessary to make this final clarification, not to enter into an argument, but to prevent mistakes or misunderstandings with relatives and national and international news agencies.

Revolution or death, we will win.

[Signed] FMLN, El Salvador, 28 August 1985

FMLN TERMS NEW U.S. ENVOY'S PRESENCE 'INSULT'

PA281244 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 27 Aug 85

[Text] U.S. Ambassador Edwin G. Corr arrived in El Salvador this morning. We have a note of welcome for this U.S. proconsul on Radio Farabundo Marti.

A new ambassador for aggression has arrived in our country. The warmongering U.S. Government has sent a new ambassador to this country. The new ambassador's name is Edwin Corr. What a historical moment you have chosen to arrive in our country, Mr Edwin Corr! You have arrived in our country at a time when our working people are facing the worst economic, political, and social crisis in history, and are struggling against the antipopular, repressive policy carried out against our people by the government you have come to represent. Our working people, Mr Edwin Corr, are struggling to achieve better salaries and better social benefits. Our people are struggling so that new jobs are created, so that the stepped-up increase in staple prices is stopped, and against the high cost of living.

Mr Ambassador, our people are struggling against the Christian Democratic regime's repressive policy, and against the kidnappings, missing people, and tortures that are the result of the warmongering, domination policy enforced by the government you represent. The Salvadoran people are struggling against the indiscriminate bombings and to reconquer the right to return, live, and work in their hometowns. These people are carrying out an overall armed struggle against the counterinsurgency war plans developed by the Duartist regime, the puppet Army's High Command, and the military advisers sent by your country's government.

Mr Ambassador, this is a historic moment in which the Salvadoran workers are countering and defeating the policy of aggression and domination being carried out by the government you have come to represent. The Salvadorans are exerting their right to a legitimate defense against the aggressions from U.S. President Reagan's administration. Greater levels of U.S. intervention in our country will only help strengthen the people's support for our revolutionary forces and increase our people's patriotism and participation in the war to defend their lives and our country's sovereignty.

What is the role you have been assigned to play as the Reagan administration's ambassador, Mr Edwin Corr? You arrive in El Salvador at a time when the U.S. Administration has taken another step to increase its military intervention, evidenced in a larger amount of military assistance totaling $343 million. In addition, Ronald Reagan has now [words indistinct] to send his troops to El Salvador and Nicaragua. Your government will send more than $100 million for the Salvadoran repressive corps.

The Christian Democratic regime is faithfully implementing the war plans prepared by Mr Reagan against our people. U.S.-built aircraft are bombing rural villages, killing civilians and destroying houses and plantations. Dozens of U.S.-made helicopters are carrying the soldiers who chase and massacre the civilian population. The workers' struggle is being repressed in the cities, and the repressive corps arrests and assassinates the people's leaders. Our people's hopes for peace and justice are being drowned in blood, death, and terror by the Christian Democratic policy and the warmongerers in your country.

Our general command rightfully stated in its recent letter to the U.S. Congress that the U.S. intervention in El Salvador has only increased our people's suffering and our country's destruction. However, none of this has proved enough to stop the FMLN. Mr Corr, you arrive in our country to guarantee that the Yankee plans are carried out. You, Mr Ambassador, have arrived to direct Duarte's antipopular, repressive policy. You will be the one who pulls the strings so that the puppets may move. By playing this role, Edwin Corr will become one of the greatest enemies of the Salvadoran people and, as such, will stand beside those who direct and carry out the genocidal policy. Therefore, he will become another objective [objetivo] during our struggle.

Our people have decided to defeat the imperialist aggression and rescue their sovereignty and national independence. Therefore, your presence can only be considered an insult, an aggression, a new act of Yankee intervention in our homeland. Our people's way of showing their welcome, Mr Edwin Corr, will be to step up our struggle and carry it out until the final victory!

FMLN CLAIMS DOWNING OF U.S.-MADE HELICOPTER

PA281544 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2310 GMT 27 Aug 85

[Text] Attention, attention: We are receiving important information from Chalatenango Department. The bird that does not fall becomes ill. The birds of the Duarte high Command continue to fall.

Attention: This week -- we would say today -- we have downed another dictatorship bird; the Yankee ambassador has arrived. During the same week that the Yankee ambassador -- the true proconsul of the gringo empire in El Salvador -- took his first step on our fatherland, another U.S.-made helicopter was downed. Today, another UH-1H helicopter fell. On 27 August another helicopter was seriously damaged when it fell in the vicinity of Ilopango Lake, San Salvador Department. One of the officers in the crew and the machine gunner suffered broken bones during this new, showy fall by one of the dictatorship's ugly birds.

What could have happened? Who [words indistinct] the bird? The Yankee helicopters were ridiculed before the ambassador, the proconsul Edwin Corr. The crash of this helicopter comes as a sign of (?defeat) for proconsul Edwin Corr's arrival. Ambassador Corr must be careful when boarding U.S.-made helicopters if he does not want to end his days with broken bones.

A sign of defeat! On the day of proconsul Edwin Corr's arrival another helicopter was downed. The Duarte High Command's birds continue to fall. This helicopter, which was returning from a war mission in San Miguel, made a forced landing in the vicinity of Ilopango Lake. The [word indistinct] pilot did not know how to swim.

FMLN REPORTS PYLON SABOTAGE, ELECTRICITY OUTAGES

PA271419 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Aug 85

[Text] Radio Venceremos is now receiving reports from different parts of the country on sabotages of the power system.

The first report is from the Anastasio Aquino Paracentral Front. At 2200 on 25 August FMLN units of the Jose Ines Balladares Column, following the instructions of the FMLN General Command to destablize the regime's war economy, proceeded to stabotage the electric pylons of the high-voltage powerline that extends from the 5 November Dam to the substation in Lataquin; this action resulted in Cojutepeque, eastern San Salvador, San Rafael Cedro, Santo Domingo, and Cabanas Department being left without electricity. Our units also sabotaged the powerline that runs from Lataquin to the eastern part of the country, destroying two pylons; this left San Sebastian, San Lorenzo, and several towns in the eastern part of the country without electricity.

The same guerrilla units of the Jose Ines Balladares Column sabotaged the telephone lines along the highway from Santo Domingo to San Sebastian, San Rafael Cedro, and Ilobasco.

Here are more reports on the joint sabotage operation: This is a war bulletion from the Modesto Ramirez Central Front. On 26 August, guerrilla units of the Rafael Arce Zablah Brigade carried out a simultaneous sabotage of powerlines in San Salvador Department. On the Najapa-Ahuachapan powerline our force destroyed one high-voltage tower, and two pylons were destroyed on the Nejapa-Quetzaltepeque line near El Matadero. We destroyed another pylon on the powerline that runs to Chalatenango, near km 28 on the main Northern Highway. Another four pylons of the powerline that runs from Cerron Grande to Nejapa substation were destroyed.

On Saturday, 24 August, guerrilla units of the Rafael Arce Zablah Brigade, in the central front, sabotaged a secondary powerline at the entrance of Nejapa, where they destroyed two pylons, leaving Nejapa, Quezaltepeque, Corinca, Mataderos, El Angel Sugar Mill, and Apopa without electricity.

This is a report from the Modesto Ramirez Central Front. This is a war bulletin from the Modesto Ramirez Central Front in the Quazapa zone. Following the orders of the FMLN General Command to increase the sabotage of the Duarte puppet regime's war economy, at 2200 on Sunday, 25 August, FMLH guerrilla units sabotaged the following powerlines: Cerron Grande-Nejapa, San Rafael-Agua Caliente, El Guajoyo-Nejapa, San Salvador-Chalatenango, and Nejapa-Quezaltepeque. In our sabotage operation, our units destroyed a total of 12 pylons carrying a high-voltage powerline, as well as a secondary powerline, 2 high-voltage towers and 3 transformers.

General Command, we are carrying out your instructions. The people are struggling against Duarte's puppet dictatorship and the intervention. We are united to fight until the final victory. Revolution or death, we will win.

GUATEMALA

URNG DENIES RESPONSIBILITY FOR CASTANEDA MURDER

PA290127 Paris AFP in Spanish 2310 GMT 28 Aug 85

[Text] Guatemala City, 28 Aug (AFP) -- The Guatemalan National Revolutionary Unity (URNG) today denied a report published on Tuesday by the local press to the effect that this guerrilla alliance had claimed responsibility for the murder of business leader Roberto Castaneda Felice on 12 August.

The URNG said that the military regime of General Oscar Mejia is responsible for the murder and pointed out that Castaneda was murdered by "a special commando unit of the Army's G-2, which used the same modus operandi it employs in its constant crimes against the democratic and people's leaders."

The rebel communique pointed out that the URNG "only applies (revolutionary) justice to those who are responsible for the slaughter and murder of our people," and not against its political and ideological enemies.

Concerning the false communique sent to the Guatemalan press, the URNG said that it was drafted by the Army "in order to evade the pressures from businessmen and politicians" who are demanding clarification of Castaneda's murder, and in order "to give a false image about the parties responsible for the violence in Guatemala to the special envoy of the UN Human Rights Commission, Viscount Colville de Culross, who is visiting Guatemala."

HONDURAS

PAZ BARNICA VIEWS FOREIGN RELATIONS, OTHER ISSUES

Notes 'Mud Slinging' by Nicaragua

PA290221 Tegucigalpa LA TRIBUNA in Spanish 27 Aug 85 p 3

[Text] While acknowledging that Honduras' image has been projected onto the international scene during the last 3 and 1/2 years, Foreign Secretary Edgardo Paz Barnica has charged that this image has a force opposing it in foreign policy, i.e., the Nicaraguan Government, which is slinging mud at the Honduran Government around the wrold.

The official explained that Nicaragua has an office at the United Nationas with full logistical support for millions of dollars worth of publicity.

He reiterated that Nicaragua slings mud at Honduras with every step it takes in foreign policy because when it throws mud at the United States, Honduras is depicted as a springboard, an aircraft carrier, or an occuppied territory, "concepts that seem to be shared by isolated critics and clients in our country."

Paz Barnica noted that East Germany (communist) alone gives the Nicaraguan Government $20 million to cover per diem and trips by the foreign minister, while the Honduran Foreign Secretariat's overall budget totals $6 million.

Concerning the bilateral negotiations with El Salvador within the framework of the Mixed Border Commission, Paz Barnica asserted that understanding and calm are necessary so that the objectives pursued by the Honduran Government will not be jeopardized during the negotiations.

He noted that it can indeed be said that the Honduran and Salvadoran Governments are working intensely at the bilateral level and also within the framework of the general peace treaty of 1980 to resolve the border conflict.

Paz Barnica stressed that the mixed commission will hold a new meeting this week because both delegates have already submitted proposals and efforts are already being made to determine the points on which they concur so as to make progress in these negotiations, which are complex and cannot be concluded overnight.

After assuring that foreign policy matters must be handled with good sense during complex times, Paz Barnica said: "We have tried to pursue a foreign policy that is coherent and consistent with Honduras' interests in both formulation and projection."

At this juncture, the foreign secretary said: Honduras is not just limiting itself to handling foreign policy matters of a protocol type because an office for social cooperation for development has been created and is successfully operating.

Finally, he stressed: "Through these efforts we have been able to obtain some $900 million for Honduras through loans, donations, and other mechanisms of financial, technical, cultural, and scientific cooperation."

Discusses Area

PA290058 Panama City ACAN in Spanish 2344 GMT 28 Aug 85

[By Armando Cerrato]

[Text] Tegucigalpa, 28 Aug (ACAN-EFE) -- The foreign ministers of El Salvador, Costa Rica, and Honduras will hold a 24-hour working session here on 3 September concerning the Central American crisis and the Contadora peace process.

This announcement was made at a news conference held today by Honduran Foreign Secretary Edgardo Paz Barnica, who said he invited his colleagues, Carlos Jose Gutierrez of Costa Rica and Rodolfo Castillo Claramount of El Salvador "for consultations."

The Honduran foreign secretary pointed out that he assumed that "the Document for Peace and Cooperation in Central America" prepared by the Contadora Group, must be signed as soon as possible. He added: "However, that signing can only be possible when Nicaragua offers a satisfactory and fully affirmative answer concerning three essential issues that have not yet been negotiated."

Paz Barnica identified these issues as disarmament, internal reconciliation or dialogue with the political and armed opposition, and the mechanisms of international verification and control.

He specified that the Honduran Government fully supports the Contadora Group's efforts, which it considers very Latin American now that some nations of the continent have created a group to support the Contadora Group and its peace process in Central America. The countries that make up the Contadora support group are Brazil, Uruguay, Argentina, and Peru.

Paz Barnica noted: "The Honduran people are most pleased with the creation of the Contadora support group. In Madrid we pointed to the need for such an organization and also to the possibility that the Dominican Republic could join the group."

Paz Barnica also reported having received a call from Colombian Foreign Minister Augusto Ramirez Ocampo, who told him of the possibility that a meeting of the Contadora and Central American foreign ministers will be held in mid-September. "I answered that I would consider such a meeting to be healthy, important, and necessary, and that Honduras will gladly attend it in goodwill," the Honduran foreign secretary said.

According to Paz Barnica, this meeting of the Contadora foreign ministers with those of Central America "will serve to discuss and evaluate the Central American situation and the peace process."

The Honduran official also pointed out that Honduras, Costa Rica, and El Salvador "have made some observations on the Document for Peace and Cooperation in Central America, observations which we hope will be discussed and included in the document to the extent possible."

Paz Barnica regretted that the last meeting of Contadora plenipotentiaries last June "did not take place due to the boycott imposed by Nicaragua."

In conclusion, the Honduran foreign secretary confirmed that the foreign ministers of El Salvador and Costa Rica will be accompanied to Tegucigalpa by their various advisers, in order to ensure that progress is made during the 24-hour meeting.

Confirms Steadman Fagoth's Arrest

PA281739 San Pedro Sula TIEMPO in Spanish 27 Aug 85 p 3

[Text] Tegucigalpa -- Foreign Secretary Edgardo Paz Barnica has admitted that Steadman Fagoth Muller, former commander in chief of the Nicaraguan Misura [Miskitos, Sumus, and Ramas] Indian rebels, has been arrested by Honduran military authorities. He did not say, however, whether Fagoth will be definitely expelled from the country.

The group's spokesman, Adan Artola, confirmed that Fagoth was detained last week in the headquarters of the 5th Infantry Battalion in Morocon, Gracias a Dios.

He explained that Fagoth tried to forcibly recover leadership within Misura and to that end, he violently kidnapped 13 group members.

During an interview granted to newsmen at the Presidential Palace, Paz Barnica said that any foreigner violating the country's laws must be punished in keeping with the corresponding legislation." [quotation marks as published]

He recalled that Fagoth was expelled from Honduras in January for holding a public press conference in the country.

Paz Barnica said the Fagoth Muller "was a staunch Somozist who violated the country's laws."

Presumably Fagoth was not permitted to return to Honduras after his explusion; however, he entered national territory on several occasions.

TIEMPO tried unsuccessfully to contact Foreign Secretary Paz Barnica yesterday to obtain more details on this matter.

NICARAGUA

ORTEGA PRAISES PROGRESS AT CARTAGENA MEETING

Managua Domestic Service in Spanish 2303 GMT 28 Aug 85

[Text] President Daniel Ortega pointed out today that good progress was made in the negotiations for peace in Central America during the meeting of the Contadora Group with the support of four South American nations. President Ortega said that now one can speak of eight countries committed to the efforts for peace in Central America, and Nicaragua hopes that the U.S. Government will pay attention to this great effort for peace being made by a Latin American group. President Daniel Ortega made these statements prior to meeting with U.S. congressmen from California. President Ortega said the following:

[Begin recording] The Cartagena meeting clearly shows that there is a Latin American position, which is becoming stronger all the time, to defend the interests of Latin America in view of the U.S. Government's policy of ignoring the Latin American appeal for a negotiated solution, for a dialogue to solve the problems of Central America. In this manner, Latin America is drawing the attention of the United States so that it will not continue to ignore the Latin American stands.

The most important thing we see here is the good progress made at Cartagena, because from the initial four countries that made up the Contadora Group, we can now speak of eight countries that are fully committed to the Contadora efforts. We are now talking of eight countries that carry weight in Latin America. We now have the support of all the Latin American countries and of the international community.

We are sure that with this strengthening of the Contadora Group's peace efforts, the United States will be obligated to study more carefully, more seriously, and with more responsibility the proposals made by the Contadora Group and the other countries that met in Cartagena. Among other things, these proposals reject the use of force in Central America and take into consideration all the points of the latest Contadora agreement. They also point out that rebel groups should not continue to be financed -- we all know that the United States is financing the rebel groups, the terrorist groups, the counterrevolutionary groups. They also insist on a dialogue between the United States and Nicaragua and between Costa Rica and Nicaragua so the problems will be solved and so that the conflict between Costa Rica and Nicaragua can be resolved.

Therefore, we have hopes that this Cartagena meeting will strengthen the Contadora process, will strengthen the Latin American stand vis-a-vis the United States, that this meeting will receive U.S. attention, and that the United States will give an answer and will put an end to its aggressive, terrorist policy against Nicaragua. [end recording]

Urges Monge To Work for Peace

PA290245 Managua Radio Sandino in Spanish 0000 GMT 29 Aug 85

[Text] President Daniel Ortega said today that Nicaragua is not interested in quarreling with Costa Rica. We have told President Luis Alberto Monge that this is the time to take specific steps toward the achievement of peace in Central America, the Nicaraguan leader added. The way to take specific steps toward the achievement of peace is to heed the call issued by the eight countries that recently met in Cartagena, Commander of the Revolution Ortega Saavedra added. On behalf of the Nicaraguan people, we appeal to President Monge's maturity and sense of responsibility so that he does not fall into the trap of a verbal confrontation and argument directed by the United States, the revolutionary leader stressed before meeting with two U.S. congressmen in Managua.

PROTEST NOTE OVER ATTACKS FROM COSTA RICA

PA281915 Managua Domestic Service in Spanish 1831 GMT 28 Aug 85

[Bulletin issued by Foreign Ministry Press and Information Directorate in Managua on 28 August; read by spokesperson Angela Saballos -- live]

[Text] The Foreign Ministry Press and Information Directorate reports that this past week Nicaragua suffered four mercenary attacks from Costa Rican territory, as well as an airspace violation in the areas of Boca de San Carlos and La Penca. The last of these took place on 26 August.

In a protest note to Costa Rican Foreign Minister Carlos Jose Gutierrez, acting Foreign Minister Victor Hugo Tinoco stressed that between 1600 and 1800 on 21 August, an undetermined number of mercenaries attacked from Costa Rican territory the Nicaraguan border post at Boca de San Carlos on the San Juan River. The following day between 1800 and 1900, the mercenary forces again attacked the same border post from Costa Rican territory. That same day, a C-47 airplane from Costa Rica overflew the areas of Boca de San Carlos and La Penca and then returned to Costa Rica.

The Nicaraguan Foreign Ministry also pointed out that at 2215 on 25 August, a group of counterrevolutionaries attacked the same border post of Boca de San Carlos for 15 minutes from Costa Rican territory. At 1145 the following day, they attacked the sector of La Penca.

Troops of the Sandinist People's Army stationed at the mouth of the San Juan River have also reported the presence in Costa Rica of a group of armed men 500 meters from the Colorado River, who during the night sail on that river in motorized dugout canoes.

Nicaragua stresses with concern that these actions are taking place at a time when the Contadora Group and the support group composed of Argentina, Brazil, Peru, and Uruguay are carrying out intense efforts to reestablish peace and security in the area. For that objective it is essential that effective mechanisms be established. These include the establishment of a neutral security zone between Nicaragua and Costa Rica.

Managua, 28 August 1985

GOVERNMENT DENIES U.S. COUPLE ARRESTED

PA282235 Buenos Aires REUTER in Spanish 2202 GMT 28 Aug 85

[Text] Managua, 28 Aug (REUTER) -- The Nicaraguan Government today denied Washington's accusations that a U.S. couple had been arrested at the Atlantic port of Bluefields.

The Foreign Ministry said that on 7 August, Leo and Dolores Lajeunesse were seen in Nicaraguan waters off the Atlantic coast when their boat was adrift due to a mechanical failure in the engine.

The ministry said that the Nicaraguan Navy had towed the boat to Bluefields, where the couple was interrogated by the authorities, "given the tense situation that prevails in the region because the CIA used pirate boats to mine Nicaraguan ports."

The ministry added that the U.S. Embassy in Managua was told about the couple's presence in Bluefields on 10 August, and daily reports were provided until their departure on 24 August, following some delays in getting spare parts to repair their boat.

"It is not true that they were arrested; they had to remain in Bluefields while their boat was being repaired. Mr Lajeunesse personally talked with the U.S. Embassy here and with his daughter in the United States," the ministry said.

The U.S. State Department said yesterday that the couple had been arrested aboard their yacht on 8 August and taken to Bluefields.

It also stated that Nicaraguan officials had ignored the requests from a U.S. consular official who wanted to go to Bluefields to interview the couple.

GUERRILLA ATTACKS LEAVE TWO CITIES WITHOUT POWER

PA282350 Paris AFP in Spanish 2123 GMT 28 Aug 85

[Text] Managua, 28 Aug (AFP) -- Two important northern Nicaraguan cities have been without electricity since Tuesday as the result of sabotage of power pylons by anti-Sandinist guerrillas, it was learned today in official circles in Managua.

Ocotal and Somoto, departmental capitals of Nueva Segovia and Madriz, as well as Condega, were left in the dark at 2200 Tuesday after a guerrilla command blew up the power pylon in the township of Piedra Larga.

The report was confirmed this afternoon by the Interior Ministry, which indicated that Nicaraguan Energy Institute crews are working hastily to reestablish service.

Ocotal and Somozo have from 15,000 to 20,000 inhabitants, and on different occasions have been the targets of guerrilla attacks by the Nicaraguan Democratic Force (FDN), which until now has failed in its attempts to occupy these towns.

In July the FDN began one of its major offensives against the Sandinist Army, centering its principal operations in the Esteli Department, located south of Madriz and Nueva Segovia.

TROOPS DEFEAT CONTRAS IN NUMEROUS CLASHES

Forces Unite in North

PA281429 Managua BARRICADA in Spanish 27 Aug 85 p 5

[Text] Quilali, Nueva Segovia -- It was learned here that 27 clashes in 23 days in several mountainous regions of this department and near the border with Honduras have considerably affected the counterrevolutionary forces that were headed for La Trinidad and Esteli, thereby hindering their plans. The most important clashes prompted by the EPS occurred in Chachagua, San Geronimo, El Olingo, Santa Rosa, Santa Ana, and near Cano La Leona and Guapinol creek near the border with Honduras.

Sixty contras surrendered or were captured by the time the mercenaries neared Esteli. Several C-4 explosive charges, mortars, hand grenades, 25 rifles, much ammunition, and other war materiel were seized.

The Border Guard Troops (TGF), the militia organized by territories, the self-defense groups at the settlements and cooperatives, and the zone's infantry reserve units, were able to weaken the Somozists and left them ready for the disastrous blows they suffered in La Trinidad and the surrounding areas of Esteli.

The combat actions of the EPS troops also prevented the contras from carrying out plans to sabotage economic, political, and military targets, and thwarted the mercenary attempt to hinder the deployment of Sandinist troops by destroying several bridges.

The EDSN [Army for the Defense of the National Sovereignty] Lives!

After being beaten at the border, the contras tried to destroy a bridge near El Jicaro, where the town's self-defense battalions, which included a veteran Sandino EDSN fighter, inflicted several casualties and recovered 14 C-4 explosive charges.

They also suffered several casualties when they attacked the San Gregoria settlement, where they destroyed a health center and several houses that belonged to the peasants.

The contras burned other huts that belonged to the peasants and a warehouse at the Caulatu agricultural cooperative, and they also tried to burn the Caulatu bridge. The damaged buildings were immediately repaired by the residents of the area.

The mercenaries who were badly beaten in La Trinidad fled to Honduras, but several groups are still prowling the area where their disintegration began, and during five clashes reported near Quilali, they have been practically destroyed.

Blow Dealt on the Rearguard

Simultaneously, the TGF dealt blows to groups of mercenaries who were attempting to enter the area, bringing mules loaded with food and materiel for the forces that remained behind in this area.

Heading back to Honduras and without being able to contact their rearguard, the worn-out mercenary forces are running from the Battalions for Unconventional Warfare (BLI), which are constantly pursuing them.

The groups that attempted to enter the area with supplies from Honduras were groups of approximately 60 to 80 contras, but because of the blows dealt, they were forced to return to their sanctuary.

The TGF and the militia, whose actions have been decisive in these serious defeats of the contras, are principally made up of young people who are serving their Patriotic Military Service (SMP), and peasants who throughout these past 6 years have built solid self-defense units. They have been the spearheads in the enemy's core and rearguard, Subcommander Julio Aviles said.

"Aside from knowing the terrain, these companeros have new ways of fighting, new and modern weapons, and they have been trained in important types of combats," the military chief added.

Alives said that the mercenaries in Honduras have been told that in Quilali, San Juan del Rio Coco, Telpaneca, and El Jicaro, they will be greeted with open doors; "however, the people have greeted them with bullets."

The Invincible Weapon

The numerous desertions of the past few days, Alives said, show in part the low moral within the ranks of the Somozists. Those ranks are reinforced by means of forcible and violent recruitment. The pressure exerted by the EPS troops and the constant defeat have them facing a serious situation.

Aside from this, Aviles added, the guarantees that the revolutionary government grants the deserters have contributed to the mass desertions among the contras.

"The morale of the people, which translates into victories," is something the mercenaries have no idea about. This, Aviles said, is the invincible weapon that the fighters in La Segovia have, especially the TGF, the militia, and the SMP youths.

Attack Repelled in Zelaya

PA280123 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 27 Aug 85

[Text] The Sandinist People's Militias have repelled an attack on the Zinica cooperative, 14 km east of Waslala, Zelaya Department, according to a report issued by the Defense Ministry today. Approximately 300 counterrevolutionaries participated in the attack, which took place yesterday, and sustained 36 casualties in their unsuccessful attempt to destroy the cooperative. During the attack, seven militia members were killed and nine persons were wounded, including a child. The militia forces recovered a large amount of weapons, including 11 rifles, 2 RPG-7s, 150 hand grenades, and 60 grenades.

The Defense Ministry also reported that eight trucks of the People's Forestry Corporation were ambushed yesterday. The attack was carried out on the road between Rio Blanco and Matiguas. The attackers sustained four casualties when the Socrates Sandino Battalion for Unconventional Warfare went after them.

CIA MEDIATION BETWEEN MISURA, FDN ALLEGED

PA280426 Managua Radio Sandino in Spanish 0000 GMT 28 Aug 85

[Text] Three Miskito leaders reported today that CIA officials have mediated twice this year between Misura [Miskitos, Sumus, and Ramas] and the FDN [Nicaraguan Democratic Force] on how they should distribute military supplies received from private sources. Misura Political Director Teofilo Archibald Wilson; Efrain Smith, member of Misura's High Military Command; and Charles Hodgson, chief commander of the Community of Southern Indian Creoles, said that the FDN did not respect the agreements and took all the dollars and ammunition.

The leaders of the Misura group, which is based in Honduras, as is the FDN, reported that CIA officials in Central America serve as liaisons between their organization and the FDN.

NUNEZ TELLEZ DISCUSSES REPONSIBILITIES OF CDS

PA281607 Managua Radio Sandino in Spanish 1200 GMT 28 Aug 85

[Text] The Sandinist Defense Committees, CDS, must reorganize their structure, particularly in the Pacific coast cities, Commander Carolos Nunez Tellez, president of the Nicaraguan National Assembly, has said.

During his address on the second day of sessions of the CDS Second National Council, Commander Nunez Tellez stated that while the CDS movement must not seek to be the people's only organization, it must constitute the principal popular organization in the cities. He said that the FSLN must identify and promote the community organizations that have traditionally existed in the countryside and create CDS groups where necessary. He added that the CDS must lead the way in solving community problems by promoting group actions to resolve them. He stressed that the CDS must encourage voluntary community participation in the various defense organizations and that the defense committees must be open to constructive criticism by the people, who must be allowed to express their problems and participate in their solutions.

The new organization implies an opening, flexibility, and more popular participation in the CDS, Commander Nunez Tellez explained. He told the participants in the CDS Council that their organizational work must be reorganized with a view to bringing together all the people's organized forces. The new CDS guidelines must emphasize community work and satisfying the needs of neighborhood residents. The methods and style of leadership of some CDS leaders must be improved, he said.

The president of the National Assembly emphasized that as they enter a second phase, the CDS must be an organization that represents the various sectors that compose it. He indicated that to maintain its authority and active role, the CDS movement must keep abreast of all the daily needs of the sectors it represents. Commander Nunez praised the CDS' efforts during their 6 years of existence and admitted that the FSLN has been unable to give the CDS efforts a sufficient follow-up.

OPPOSITION BLOC ENDORSES CARTAGENA DECLARATION

PA280435 Panama City ACAN in Spanish 2320 GMT 27 Aug 85

[Text] San Jose, 27 Aug (ACAN-EFE) -- An anti-Sandinist spokesman stated today in San Jose that the Cartagena declaration, signed by the Contadora Group and its support group, is in line with the proposals of the Southern Opposition Bloc (BOS) for a triple dialogue.

BOS, formed a month ago in this capital, is made up of the Democratic Revolutionary Alliance (ARDE), led by Eden Pastora; the National Rescue and Conciliation Movement; and the Association of Nicaraguan Workers, Peasants, and Professionals in Exile.

Jose Davila, of the BOS Political Directorate, stated in a press conference today that the Cartagena declaration reflects the Latin American position of preventing "the regional conflict from becoming an element of the East-West confrontation."

The declaration was signed by the ministers of the Contadora Group (Venezuela, Colombia, Panama, and Mexico) and its support group (Peru, Uruguay, Argentina, and Brazil), which held their first meeting last weekend in the Colombian city of Cartagena.

Davila pointed out that this proposal is a part of the "triple dialogue" initiative proposed 2 weeks ago to the Contadora Group by BOS during a tour of Panama, Venezuela, and Colombia. This dialogue, according to the rebel proposal, would take place between the United States and the Soviet Union; between the Central American countries and Nicaragua; and between the Sandinist government and all civilian and military opposition groups in exile.

"This triple dialogue is consonant with the Latin Americanist position that the solution to the Nicaraguan conflict must come from within us," the rebel leader pointed out.

Davila stated that the Nicaraguans "are killing themselves with foreign arms"; therefore it is urgent that conditions be sought "to stop the bloodshed and channel the Sandinist revolution along the original lines of a mixed economy, nonalignment, and political pluralism. [no end quotation marks as received]

"Complication of the conflict has forced us to seek a negotiated solution, because the military solution would be at the expense of thousands of Nicaraguans," the exiled politician, who has been in Costa Rica for the past 4 years, stated.

BRAVO VISITS CARACAS, COMMENTS ON FOREIGN DEBT

FL280143 Havana Domestic Service in Spanish 2300 GMT 27 Aug 85

[Text] In Caracas, Flavio Bravo, president of Cuba's National Assembly of the People's Government [ANPP], has underscored the urgency of the need of establishing a new international economic order. Flavio Bravo told the Caracas newspaper ULTIMAS NOTICIAS that it is important to continue making efforts to create awareness of the seriousness of the crisis and of the foreign debt and the need to establish a new international economic order.

The ANPP president is in Venezuela to attend the Latin American Parliament chairman's council meeting.

Comments on Posada Case

FL290103 Havana Domestic Service in Spanish 2300 GMT 28 Aug 85

[Text] In Caracas, Cuban leader Flavio Bravo, president of the National Assembly of the People's Government described as positive Venezuelan Government investigations regarding the escape of counterrevolutionary terrorist Luis Posada Carriles, one of the persons responsible for blowing up a Cubana plane in 1976 which killed 73 people. Flavio Bravo is in Venezuela to attend a Latin American Parliament chairmen's council meeting being held in Caracas. The Cuban parliament president said his country trusts Venezuelan justice and is informed of the investigation's progress. Likewise, he denounced that Posada Carriles escape was plotted by the U.S. Central Intelligence Agency, CIA, through its agents working in nearby countries.

FOREIGN MINISTER MALMIERCA VISITS ZIMBABWE

For South African and Zimbabwean reportage on the visit to Zimbabwe by Foreign Minister Isidoro Malmierca, including reports on his remarks on Cuban troops in Angola and his meeting with Zimbabwean Prime Minister Robert Mugabe, see the Zimbabwe section of the 23 and 28 August issues of the Middle East & Africa DAILY REPORT.

VALDES AWARDS FRIENDSHIP MEDAL TO LAOTIAN LEADER

FL282204 Havana Domestic Service in Spanish 2035 GMT 28 Aug 85

[Text] Sisavat Keobounphan, chief of the general staff, Army general, and Laotian interior minister, was decorated with the Republic of Cuba Friendship Medal. Commander of the Revolution Ramiro Valdes, vice president of the Cuban Councils of State and Ministers, and interior minister, awarded the medal to Keobounphan.

Further Reportage on Visit

For Vientiane accounts of the visit to Laos by a delegation headed by Ramiro Valdes Menendez, Politburo member of the Communist Party of Cuba, vice president of the Councils of State and Ministers, and interior minister, see the Laos section of the 27 August Asia and Pacific DAILY REPORT and subsequent issues.

SOVIET AGRICULTURAL MINISTER RECEIVES MEDAL

FL282347 Havana Domestic Service in Spanish 2300 GMT 28 Aug 85

[Text] In Moscow, Soviet Agriculture Minister Valentin Mysyats was bestowed the Marcos Marti Rodriguez medal in recognition of his contribution to the development of the Cuban livestock agricultural sector. The medal was bestowed by Cuban Agriculture Minister Adolfo Diaz at the Cuban Embassy in Moscow. The decision to grant the

Marcos Marti Rodriguez medal to Minister Mesyats was made by the executive secretariat of the Cuban Livestock and Agricultural Workers Labor Union and the Agricultural Ministry with the Council of State's approval. A TASS press agency report highlights today that Soviet and Cuban agricultural organs are working on projects to increase soil fertility, select agricultural products, and protect plants and cattle.

CASTRO INVITES URUGUAY'S FERREIRA TO VISIT

FL282150 Havana Domestic Service in Spanish 2034 GMT 28 Aug 85

[Text] A press release from the French news agency AFP reported this afternoon that Wilson Ferreira Aldunate, leader of the National Blanco Party of Uruguay, will visit Cuba in October. According to AFP information from Montevideo, the capital of Uruguay, Ferreira Aldunate will visit Cuba at Commander in Chief Fidel Castro's invitation.

REAGAN'S CENTRAL AMERICAN POLICY CRITICIZED

FL282024 Havana Domestic Service in Spanish 1600 GMT 28 Aug 85

[Text] Havana -- In the face of the current Latin American efforts to resolve the Central American conflict, the adamant position of the United States, assumed by its President simply to liquidate Sandinism, stands out. The attitude of the Ronald Reagan administration has been consistent since his assumption of power in Washington. In each speech on this topic, the leader himself reaffirms this even though he is not capable of providing a convincing justification. The solution to the Central American problem cannot be achieved by force, those meeting in Cartagena have said, and, without mentioning names, seem to have called on Washington to resolve a conflict that has already cost more than 10,000 Nicaraguan lives.

RADIO CITES NONALIGNED SUMMIT DISCUSSION TOPICS

FL282113 Havana Domestic Service in Spanish 1819 GMT 28 Aug 85

[Text] Hunger and malnutrition, which affect over 500 million people in the so-called Third World will be imperative topics for discussions by the members of the Nonaligned Movement. The over 100 foreign ministers meeting in Luanda next week will confirm that despite aid sent by many countries, the problem continues and tends to worsen. During the last two Nonaligned Movement summit meetings, the heads of state and government reiterated the urgent need to eliminate hunger and malnutrition as soon as possible and their willingness to continue efforts in guaranteeing food for people. The economic and financial crisis faced by Africa, the continent the most severely affected by the food deficit, constitutes one of the main factors of this phenomenon. A foreign debt of over $158 billion, trade protectionism, deterioration of trade terms, and continuation of the drought are some of the factors which worsen Africa's economic problems. Regarding nutrition, international organizations estimate the deficit surpasses 12 percent, especially in Ethiopia, Niger, Chad, Mali, Sudan, and Somalia. The Food and Agriculture Organization of the United Nations, FAO, considers that the situation will continue to worsen if the aforementioned factors persist. Renowned experts believe that the aid sent by many countries will only alleviate hunger in Africa temporarily and the true solution lies in solving the causes which triggered it.

SUGAR ASSOCIATION TO LOBBY U.S. ON QUOTAS

FL290038 Bridgetown CANA in Ensligh 2126 GMT 28 Aug 85

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Aug 28, CANA -- Caribbean and Central American sugar producing countries are lobbying United States Government officials in the hope of securing a fixed annual quota for their exports, according to industry sources here. The sources said a delegation comprising representatives of the Sugar Association of the Caribbean (SAC) and Central American producers made two trips to the U.S. capital in the past two months in the effort to persuade Washington to do something about the quota level that has see-sawed in recent years.

Sugar is important to the economies of these countries and what we are seeking to get is a fixed quota to lessen the impact of the fluctations, the sources told the Caribbean News Agency (CANA). We could say there is some hope that we will get sympathetic consideration.

In the face of competition from other sweeteners, demand for sugar in the United States has slackened in recent years, resulting in the world export quota dipping from 2.8 million short tons in 1982-83, to 2.5 million short tons last year, with a further decline projected for 1985-86. The 1983-84 quota was 3.04 million short tons. Caribbean Community (Caricom) countires had their quota reduced by 15 per cent in 1985 to 158,100 short tonnes, an estimated loss of up to U.S. 25 million dollars.

U.S. Secretary of State George Shultz is among high American officials contacted by the regional sugar exporters, but to date he has not replied to their letter, the sources said. English-speaking Caribbean countries involved in the lobbying effort are SAC members Barbados, Guyana, Jamaica, St Kitts and Nevis, and Trinidad and Tobago. The other nations are the Dominican Republic, Costa Rica, Honduras, Panama, Guatemala, and El Salvador.

The sources pointed to the region's economic recovery as envisaged by Washington's Caribbean Basin Initiative (CBI) and said sugar exports should be granted the fixed quota as special treatment as further aggravation of the already troubled industry would mean chaos for most countries, some of whom have large debts. The main plank of the CBI is duty free access for most regional manufactured products to the U.S. market over 12 years starting January 1, 1984. Cash aid is also a component of the programme.

To show how the fluctuations in the American sugar quota had adversely affected regional exports, the sources cited the case of Barbados whose allocation fell from 19,600 tons in 1982-83 to 17,780 in 1984-85. In 1983-84, the figure was 21,294 tons. The sources said the projected further fall in the overall quota for 1985-86 stemmed from the fact that major soft drink manufacturers had shifted to high fructose corn syrup, thereby eroding further American domestic demand for sugar.

BAHAMAS

FL282058 Bridgetown CANA in English 1918 GMT 28 Aug 85

[Text] Nassau, Bahamas, Aug 28, CANA -- Officials from the Bahamas and Cuba have recently held discussions in Havana on matters of mutual interest, the Bahamas Government Information Services said.

The talks, which took place two weeks ago, developed informal channels of communication on a practical and functional level regarding matters of mutual interest, the government said. The release said the subjects touched included maritime affairs, but no other information was given.

The Bahamas delegation was headed by Minister of Foreign Affairs Clement Maynard, but the GIS did not say whether he met with his Cuban counterpart. The two countries evaluated in a positive manner the results of the talks, the release said.

GRENADA

BLAIZE DISCUSSES MEASURES TO EASE UNEMPLOYMENT

FL272357 Bridgetown CANA in English 2335 GMT 27 Aug 85

[Text] St Georges, Grenada, Aug 27, CANA -- Grenada Prime Minister Herbert Blaize says the main economic thrust of his government is the setting up of an industrial base to help ease high unemployment. The nine-month old ruling New National Party (NNP) government inherited an unemployment rate of around 35-40 per cent.

Blaize said that an Industrial Development Corporation (IDC) established by his government is the organisation given the responsibility of moving towards the creation of this base and that the body is currently holding negotiations with entrepreneurs mainly from the United States. So far we have had discussions with pharmaceuticals and garment factories, furniture factories and others producing a wide range of products, he said.

The prime minister said that the investment under this base is intended to bring to fruition the American Government sponsored Caribbean Basin Initiative (CBI) and we hope that with that we'll have a more immediate need to deal with our unemployment.

He indicated that the island was holding joint venture discussions with several Puerto Rican firms and that proposals before the U.S. Congress to eliminate special tax arrangements with American companies operating outside the mainland could adversely affect the plans of these companies to open business in Grenada. This is a reference to the so-called 936 legislation under which the U.S. Government provides these firms with tax free concessions. There are moves on in Congress to repeal the legislation.

Blaize said that at least four Puerto Rican firms have given Grenada firm commitments to invest on the island provided the legislation remains while 10 others indicated that they are investigating the possibilities of investing. All these people who have been making investigations into expanding the twin plant concept from Puerto Rico into Grenada have all indicated that this is conditional on their getting the 936 tax remain, he added. The twin plant concept allows for aspects of the manufacturing process to be done in Puerto Rico and the participating country.

MITCHELL DENIES RUMORS ON MOVES TO UNSEAT BLAIZE

FL261740 Bridgetown CANA in English 2021 GMT 25 Aug 85

[Text] St Georges, Grenada, Aug 25, CANA -- Any attempt by Grenada cabinet members to unseat Prime Minister Herbert Blaize can only lead to the collapse of the government, according to Communications and Works Minister Dr Keith Mitchell.

In the circumstances, said Dr Mitchell, only former Prime Minister Eric Gairy is likely to emerge a winner.

Dr Mitchell was commenting on claims made by the monthly publication CARIBBEAN INSIGHT that he and some other senior government officials had been plotting to unseat Blaize.

There are absolutely no plots, Mitchell told CANA. He added: I am convinced that anybody who attempts to talk leadership change in the country today, and intends to do that, would be doomed politically. I am convinced that Herbert Blaize will lead this country through a period of peace and progress, and he has my support as leader of the country. Blaize's party teamed up with two other centrist groups to launch the New National Party (NNP), which scored a landslide win during the December 1984 general elections.

CARIBBEAN INSIGHT, a West Indian publication printed in Britain, quoted informed sources as saying that one of the parties -- the Grenada Democratic Movement (GDM), led by Labour Minister Dr Francis Alexis -- had intended moving a motion of no confidence in Blaize early last month. It said Dr Alexis, Dr Mitchell, and Junior Ministers Kenny Lalsingh and Ben Andrew wanted one of their number to be appointed prime minister, probably on an interim basis.

CARIBBEAN INSIGHT claimed that the move to oust Blaize and like-minded colleagues from office had to be shelved because the government was forced to turn its attention to the closure of a private radio station, which unexpectedly turned into a major domestic issue.

Dr Mitchell described the report as one of the many propaganda campaigns inside and otuside of Grenada, organized by persons who wanted to sow seeds of confusion within the government.

I think what is happening is that there is a feeling that the New National Party would be stronger and stronger, and if it continues to stay together and continues to cement even stronger, it would make it difficult, even impossible, for any organisation to beat the New National Party democratically, he said. I think that understanding is scaring a lot of people. Therefore, it is important for them to spread chaos and propaganda abroad that would scare off investors, and make people believe that the leadership of the country is tenuous, and that problems would develop, and that the country would go into chaos again.

Dr Mitchell said that although there had been differences at various levels within the government on policy matters, the country was now on a steady leadership course with none of the so-called likely successors to Blaize being involved in any scheme to topple the 66-year old prime minister. He stressed that any move to try and unseat Blaize would lead to the collapse of the government and, in the circumstances, the only winner would be Gairy, whose labour party was soundly beaten in the December polls.

If the New National Party destroys itself, certainly the only winner is going to be Gairy because the left has no credibility -- and I don't think they understand that, but they should understand it if they have any sense in their head, Dr Mitchell said.

Given that kind of analysis, we have to be crazy in the New National Party to talk about bringing chaos to this country, when we know that all of us would be engulfed by the chaos. That is the reality. Just for self-survival only, we know that the party has to stay.

JAMAICA

TRANSPORT CHIEF ANNOUNCES DRUG TRAFFIC CRACKDOWN

FL281808 Bridgetown CANA in English 1754 GMT 28 Aug 85

[Text] Kingston, Jamaica, Aug 28, CANA -- Jamaica has dismissed about 160 workers at its two international airports amid a stepped up crackdown on drug trafficking, Public Utilities and Transport Minister Pearnel Charles announced.

From Monday all agents shipping goods on state-owned Air Jamaica must be photographed and the photographs accompany the goods being exported. The government also announced the withdrawal of some workers passes to restricted areas at the two airports and said those persons with passes for those areas must be accompanied.

I am giving these instructions to protect all airlines operating in Jamaica, to protect our international obligations and the good name of the country, and prevent embarrassment to passengers, Charles said.

Workers fired are security guards and ramp handlers at the main Norman Manley Airport in the capital Kingston, and security guards at the Donald Sangster International Airport in Montego Bay, northern Jamaica. Washington has imposed heavy fines on Air Jamaica following the discovery of marijuana on several flights. The last four fines totalled 13.3 million U.S. dollars and an Air Jamaica jumbo jet was also seized by U.S. Customs officials.

High-level talks in Washington recently produced a new agreement between Air Jamaica and the U.S. Customs authorities. New security guards will now support the police at the two airports.

Charles said that in the past six months there had been 54 local interceptions of illegal shipments of drugs and six overseas. Last week 200 pounds of marijuana concealed in furniture was discovered at the Donald Sangster Airport. Jamaica has been under pressure from the United States to stamp out drug trafficking.

RESOLUTION APPROVED TO REMOVE EDUCATION MINISTER

FL231330 Bonaire Trans World Radio in English 1130 GMT 23 Aug 85

[Text] A resolution in Jamaica calling for the removal of Education Minister Mavis Gilmour, who is the only woman in Prime Minister Edward Seaga's cabinet, has been unanimously approved by Jamaica's 18,000-member teacher's association. The resolution claims that the minister has not shown any interest in the education system nor concern for teacher's welfare. Dr Gilmour has responded by saying she believes the call is politically motivated and lacks teacher support.

PNP'S MANLEY TO RESUME OFFICIAL DUTIES

FL271740 Bridgetown CANA in English 1719 GMT 27 Aug 85

[Text] Kingston, Jamaica, Aug 27, CANA -- People's National Party (PNP) President Michael Manley will resume official party duties next Monday, a press release from the party said. Manley, a former prime minister, has been absent from office for some time now following surgery for the removal of infected intestines. He is scheduled to address the annual constituency conference of the PNP in North Western Manchester on Sunday.

TRINIDAD AND TOBAGO

FOREIGN DEBT TO EXCEED $2.8 BILLION IN 1985

FL231918 Bridgetown CANA in English 1836 GMT 23 Aug 85

[Text] Port-of-Spain, Trinidad, Aug 23, CANA -- Trinidad and Tobago's total foreign debt will amount to more than 2.8 billion dollars (one TT dollar; 41 U.S. cents) by the end of this year, a committee of local trade unions has forecast. The figures are contained in a release from the Joint Education Committee, made up of the Bank and General Workers Union (BGWU), the Transport and Industrial Workers Union (TIWU), and the Communication Workers Union (CWU). According to the Trinidad and Tobago Central Bank annual report for 1984, at the end of last year, direct central government external debt amounted to 1,988,600,000 dollars.

ONR EXECUTIVES RESIGN, ATWELL TAKES OVER

FL290125 Bridgetown CANA in English 2313 GMT 28 Aug 85

[Text] Port-of-Spain, Trinidad, Aug 28, CANA -- Five executive officers of the opposition Organisation for National Reconstruction (ONR) party, including Chairman Roy Augustus, have resigned, the party said today. The other four who handed in their resignations were General Secretary Stalin Jones, Treasurer Ronald Ramcharan, Education Officer Neville Hordatt, and Sports and Cultural Officer Denise Charles.

Augustus, whose letter of resignation was made available to reporters, said his decision stemmed from dissatisfaction with how the ONR handled disciplinary proceedings against Deputy Leader Suruj Rambachan. The proceedings arose from a controversy sparked by the deputy's call for the state-run television station to show more Indican cultural programmes. The comments had prompted accusations of racism. After an investigation, Rambachan was cleared by the party of any wrongdoing.

Company Director Herbert Atwell, an ONR founder-member, has taken over as party chairman until the next annual convention in November. The ONR is at present involved with three other opposition parties in the formation of an alliance to mount the main challenge to the ruling People's National Movement (PNM) at the next general elections. Atwell has been nominated for the post of chairman of the National Alliance for Reconstruction (NAR). Political observers said it was too early to say what impact the development's within the ONR will have on the NAR, which will be officially launched next month.

HOYTE WANTS TO IMPROVE RELATIONS WITH U.S.

FL281508 Bonaire Trans World Radio in English 1130 GMT 28 Aug 85

[Text] Guyana's new president, Desmond Hoyte, says he wants to improve Guyanese-U.S. ties, which became strained over the U.S. intervention in Grenada and over other issues. The weekly Trinidad newspaper, THE BOMB, quotes Mr Hoyte as saying: The reality of the matter is that the United States is perhaps the most powerful country in the region and the world. How can Guyana fight the United States? According to the newspaper, Mr Hoyte went on to say that even though Guyana and the United States may differ on policy matters, there is no reason why the relationship should not be courteous and why it should not be in a situation in which the two countries can exchange views, seek clarification, and discuss problems.

RIGHTS REPORT DETAILS FOOD SHORTAGES, POLICE ABUSES

FL261937 Bridgetown CANA in English 2150 GMT 24 Aug 85

[Text] Georgetown, Guyana, Aug 24, CANA -- The Guyana Human Rights Association (GHRA) has accused the government of ignoring democratic procedures, and tolerating a steep rise in malnutrition and violent crime. In its fifth annual report just published, the GHRA said Guyana's economic crisis had led to a drastic shortage of basic foodstuffs, including rice and sugar, which are among the country's main exports. It estimated that 70 per cent of all children under five suffered from malnutrition.

Following are excerpts from the report:

Food Availability

The government policy in relation to food availability is that Guyanese must rely entirely on what can be locally produced. With respect to milk (the only food item still imported), the policy has been strengthened by reducing the amount of milk imported this year.

Rising levels of malnutrition, low levels of production and advice from a range of technical sources have not impinged on this policy. The government has remained impervious to the human consequences of its policy, which has had debt repayment as its main objective. Although the international economic situation has contributed to the difficult circumstances in which Guyana now finds itself, this cannot be invoked as the determining factor or even a major influence insofar as the importation of foodstuffs is concerned. There is ample evidence to demonstrate that a higher level of imported foodstuffs such as milk, flour and cheese at subsidised prices, or as gifts, is available if the government wished to accept it.

Unavailability of locally-grown staple food items, such as sugar and rice, indicate a worsening of the food situation, a fact which was officially acknowledged in February of this year, when the state-owned media recognised that the food-substitution plan was not successful, and that Guyana did not have the technology to fulfill demands for new foods. An official from the Guyana Pharmaceutical Corporation (GPC), a major state-owned corporation stated in late 1984 that Guyanese have to accept that in order to get three satisfying meals, they must eat rice.

While the ban on wheaten flour has not been relaxed, wheaten products, notably bread, are generally available on the parallel market at ten times the prices paid when the ban was imposed in 1982. Sumggling of this commodity testifies to the lucrative profits to be made, despite heavy surveillance from the police.

The disappearance of rice from commercial outlets, both state and private, since March of 1985, has caused much hardship. Brown rice, the more nutritious variety, has not been available for the past year: White rice, the only variety available on the parallel market, is the least nutritious and, at 6.00 dollars per gallon, is 25 per cent higher in price than a year ago.

Attempts by the government to replace wheat flour with rice flour in the national diet have been costly and unsuccessful. Whereas an average of 22,000 bags of wheaten flour was produced annually, the average annual production of rice flour has not exceeded 2,000 bags. This low volume of operation has given rise to higher production costs due to the need to spread costs over a smaller output.

Distribution of Scarce Items

Commodities such as soap (powder, toilet and laundry), toilet paper, matches, cooking oil and milk are in continuous short supply. A system of distribution of hampers, through government ministries and other officially-recognised work-places, acts as a form of rationing. Workers in these places receive, at irregular intervals, an allocation of whatever has become available.

For example, a recent hamper contained six boxes of matches and two toilet rolls. On another occasion, a pint of cooking oil or margarine may be included. Occasionally, these items are sold to the public through a chit system, which involves queueing for a chit and then collecting the goods from a bond. Items sold in this way are sold at officially-controlled prices. The system suffers from being irregular, limited to a few items and only available to those people who work in the places mentioned above.

A special distribution system was devised for milk due to the extremely limited quantities of this commodity which have been available during the past year. Production at the Georgetown Milk Plant, the only milk processing facility in the country, was reduced by 50 per cent for the first half of the period under consideration, and for the past four months has been closed entirely. Natural milk is mixed with skimmed milk and butter oil and reconstituted into milk at the plant, as a result of a donation from the EEC ingredients. This donation was reduced in 1985 from 500 tons of skimmed milk to 300 tons.

It is estimated that Georgetown requires 20-25,000 gallons of milk a day and, in response to this need, the milk plant only produced 2,700 gallons per day prior to its closure. Powdered milk on the parallel market, the only source for urban dwellers, rose in price in July 1985 to an all-time high of 175 dollars per 5 lb tin. No powdered milk for general distribution has been imported for almost a year.

From the limited amounts imported the Ministry of Health has devised a system of distribution through health clinics. Chits are given to women 30 weeks or more pregnant, and for children suffering from third degree malnutrition. These chits are then taken to the local cooperative outlet or Knowledge Sharing Institute (KSI) (distribution outlets run by the ruling party) where a 5 lb tin may be purchased at the official price of 32.00 dollars.

It is hard for most Guyanese to conceive how a shortage of rice could occur, since rice has been a major export item for the past thirty years. Since traditional markets in the Caribbean and abroad are being lost to Guyana because of unreliability of supplies, the explanation does not lie in the diversion of domestic supplies to the export market.

The major explanation for the shortage appears to lie in the fact that rice farmers are refusing to plant rice because of the low prices paid for padi, the bureaucratic bungling which suffocates the industry, and rampant corruption.

The Police

The behaviour of the Police Force continues to be a source of serious concern, especially its political alignment and internal indiscipline. In addition, there have been many credible allegations of corruption at various levels of the Police Force. While the institutional problems of political partiality and indiscipline may not be related to cases of individual corruption, neither can they be entirely separated.

On the level of crime detection, the deficiencies of the police cannot be attributed entirely, or even largely, to shortage of equipment and vehicles. In too many cases in which these explanations are not relevant, police officers show little interest in detection. This is particularly true in rural areas, notably in East Indian villages. Complaints of callousness to victims, arrogance, ignorance or sheer disinterest have been made against the Police Force.

Although the former police commissioner in an address to the Police Association mentioned that a number of officers had been removed from the force in the public interest, there is no public accountability on the part of the police. A number of cases involving policemen on serious charges have begun during the course of the year, in each case following public pressure and publicity.

Public confidence in the honesty and integrity of the Police Force is at its lowest ebb. Lack of confidence, generated by face-to-face experience with members of the force who do not maintain standards, is further eroded by the aligning of the force with fashionable political trends.

On the 146st anniversary of the Police Force, the police commissioner in his message noted that the force would become involved in agriculture to enhance the environment and to assist the national economy. Earlier in the conference, the minister of home affairs had stated that the Police Force must involve the community in their work and become involved in agriculture. A senior government minister has said that the force must be an agency for national development. In circumstances of unprecedented crime and limited resources available to the police, these extraneous demands can only serve to lessen their effectiveness.

It is unfortunate that the Police Force has allowed itself to become an agency which politicians feel they can call upon to further aims and goals unrelated to its basic function.

The presentation of a cheque of 100,000 dollars to late President Burnham towards the president's college on behalf of the Police Force is the kind of gesture which encourages political interference in the Police Force.

An exercise which embodied all three of the weaknesses referred to above was a campaign carried out in November 1984 against commercial establishments which sold imported goods. Police trucks and other vehicles were used in the indiscriminate seizure of a wide range of goods from a selected group of shops. Seizures were not made from establishments with links to the ruling party; the exercise was done in a humiliating and indiscriminate manner, and a significant amount of the goods seized could not be accounted for afterwards.

The Police Force would recapture much goodwill and cooperation from the community if its approach to one major problem was more constructive and even-handed, namely the community policing groups. Lingering suspicion of racial and political discrimination will not be dispelled until an effective response to the crime problem in East Indian areas is devised. There is insufficient evidence of the police wanting to find a rapid and effective solution to the problem.

PARAGUAY

FOREIGN MINISTER PLEASED WITH VISIT TO ARGENTINA

PY281445 Asuncion EL DIARIO in Spanish 25 Aug 85 p 7

[Excerpts] "We have ended several work days during which we enthusiastically exchanged points of view, which shows that the relationship between the Argentine and Paraguayan governments and people is increasingly positive and intense, as it should be between two nations that share common undertakings such as the Yacyreta and Corpus projects." These were the first statements by Foreign Minister Carlos August Saldivar to media representatives who yesterday went to the airport to meet him on his return from Buenos Aires. Minister Saldivar will officially resume his duties tomorrow.

The minister returned to Asuncion accompanied by all the high-ranking government officials that aided him during his important visit to Buenos Aires, capital of our sister nation, during which he held meetings as well as special audiences with Argentine President Raul Alfonsin, Foreign Minister Dante Caputo, and Interior Minister Antonio Troccoli. These meetings, undoubtedly, may be termed very important and decisive at this stage in Paraguayan-Argentine relations.

Minister Saldivar termed very positive the meetings with President Alfonsin and Interior Minister Troccoli. He added that Alfonsin sent special greetings to the Paraguayan people and President Alfredo Stroessner. Saldivar said that during the cordial meeting, we discussed the overall state of our relationship, which we consider to be positive and excellent. The meeting with Minister Troccoli, on a whole, was similar.

When he was asked whether they had discussed the alleged interference of the Argentine Government in Paraguay's domestic affairs, Saldivar answered: "By no means do we tolerate the intervention of Argentina or any other country in Paraguayan domestic affairs. Therefore, we cannot even imagine that. Should there be an intervention such as that which occurred in 1870, Paraguay would react immediately. But thanks to our firm government, to a leader like President Stroessner, who knows how to run the country, we enjoy the respect of all the people, even that of our neighboring countries. As a consequence we can develop our international relations without any problems.

SURINAME

BAUXITE COMPANY PROJECTS $27.8-MILLION LOSS

FL262057 Bridgetown BARBADOS ADVOCATE in English 22 Aug 85 p 6

[Excerpt] Paramaribo, Suriname, 21 Aug (CANA) -- Billiton, a subsidiary of the Royal Dutch Shell Group, has projected a loss of $27.8 million on its bauxite mining operations in Suriname this year, up from $21.3 million in 1984.

A company statement said Billiton lost $10.2 million in the first six months of this year after $9.6 million in the same period of 1984, and losses are likely to increase in the second half. It blamed the rising losses on a continuing decline in world bauxite and aluminium prices, and said Billiton would be unable to raise wages by five per cent as ordered by the government two weeks ago.

The government subsequently rescinded this order and referred a pay claim by the Bauxite Workers' Federation to an arbitration tribunal, comprising representatives of Billiton, the Government and the trade union.